



NEWS PAGE 3

THE WILD ONES IN DANGER

INSIDE THE TABLOID

NETWORK+

THE NEXT TYCOON

IN THE TABLOID

OPRAH FALLS FOUL OF MAD COWS

French go cold on the euro

Sarah Helm
Luxembourg

Europe's projected single currency, which has already torn apart the Conservative Party and riven Germany, faced a fresh threat yesterday - France's new Socialist government.

At a meeting of EU finance ministers in Luxembourg, France refused to sign up to a pact which sets out economic rules for running the euro zone. The new French demands immediately fractured the increasingly fragile veneer of consensus between France and Germany about how the eurozone should be governed, how "soft" or "hard" the new currency will be, and inevitably raised new questions about the timetable for monetary union - set to be launched in 1999.

The French move will cast a pall over next week's Amsterdam summit, when signature of the so-called "stability pact" for economic and monetary union

sisting that there was no call for "drama" or market panic. He also said France accepted the principle of budgetary discipline.

But the French government also wants to adjust the pact to allow the creation of a form of political "economic government" to act as a counter-weight to the monetary discipline to be imposed by the future European central bank.

Theo Waigel, the German finance minister, made clear he would oppose any move which could threaten the independence of the European central bank. Germany, which initiated the stability pact to ensure fiscal discipline, was also swift to signal yesterday that it would oppose any renegotiation of the rules, which might encourage a "soft euro".

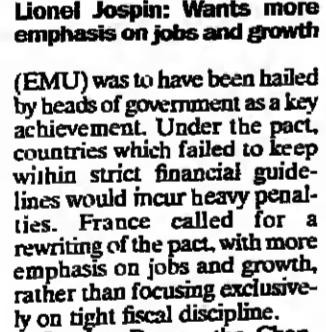
But Germany's own governing coalition was showing signs of drifting towards the rocks amid rumours that Chancellor Helmut Kohl had threatened to resign four times last week during the bitter argument still raging in Germany about the means by which the country can meet the Maastricht criteria for monetary union. The government failed in its attempt to revalue its gold reserves, and all its attempts to raise taxes are being thwarted.

The French announcement could not have come at a worse time for the European Union, which is already struggling to maintain a united front ahead of the Amsterdam summit.

Officials from the Netherlands, which holds the EU presidency, were last night working hard to cover up the cracks, by producing a deal which they hoped might satisfy the French ahead of the summit. There were strong hopes that Paris's stance might prove to be temporary posturing, in the light of pledges to promote employment made during the French election campaign. Senior EU officials said that if a satisfactory "form of words" could be found to accommodate French concerns, EMU could be swiftly back on track.

However, there were signs that the markets were already viewing the crisis as serious, undermining political damage limitation. Furthermore, even if an accord can be stitched together in the short term, fundamental differences in philosophy about how the single currency should operate are now out in the open.

Euro fault-line, page 13



Lionel Jospin: Wants more emphasis on jobs and growth

(EMU) was to have been hailed by heads of government as a key achievement. Under the pact, countries which failed to keep within strict financial guidelines would incur heavy penalties. France called for a rewriting of the pact, with more emphasis on jobs and growth, rather than focusing exclusively on tight fiscal discipline.

Gordon Brown, the Chancellor, presented a British employment initiative to the Luxembourg meeting of European finance ministers, which appeared to support the French aims. He argued that jobs should be given new priority "at a European and national level".

Dominique Strauss-Kahn, the new French finance minister, reassured partners that Lionel Jospin, the new French Prime Minister, is committed to the EMU launch on time, in-

Anthony Bevins
Political Editor

Kenneth Clarke and William Hague were last night running neck and neck for today's first round of the Conservative leadership contest, with declared supporters putting them well ahead of the rest of the field.

But with three dozen of the 164 Conservative MPs remaining uncommitted, the race was still wide open and frantic last-minute efforts were being made to woo and seduce the hard-to-get wavemakers last night.

For an outright win in today's ballot, a candidate requires at least 83 votes - a majority of at least 25 votes over the runner-up, a lead of 15 per cent of those entitled to vote.

No one is expected to get over those hurdles, in which case a second ballot will be held next Tuesday in a race that will be open to new contenders - and the possible withdrawal of any candidate who does particularly badly when first-round results are declared before 6pm tonight.

The uncertainties of the contest are aggravated by the possibility that Mr Clarke, the former Chancellor, could top today's poll - and still not have enough steam to

get him the required 83-vote minimum to win the second ballot.

He needs more than 50 votes today to remain a credible contender for next week.

The right-wing were jostling for a contender who could pick up the Thatcherite banner - with Michael Howard, Peter Lilley and John Redwood all in contention. Whoever gets most votes from the right could still give Mr Clarke - or Mr Hague - a close run in the final ballot on 19 June.

But last week's confident assertion of Mr Howard's supporters, that he was running second to Mr Clarke, was hardly denied by the fact that as many as half a dozen claimed votes have since defected.

A supporter of one of Mr Howard's right-wing opponents said he would not be the first time the Howard camp had been caught "fibbing".

Last week, they issued a press release saying the former Home Secretary was "in clear second place". Yesterday, Mr Howard said: "I confidently expect to finish in the first three."

One of John Redwood's supporters said it was "too close to call" between his man and Mr Howard. But Mr Redwood's campaign manager, Ian Duncan Smith, appeared to over-egg his candidate's chances when he said that in addition to the 17 declared supporters, there were another 30 votes privately poised to back him.

Claimed declarations from the different camps put Mr Clarke and Mr Hague on 33 votes each. Mr Howard on 25, Mr Lilley on 22 and Mr Redwood on 17. That left 35 undeclared.

Of those who had been "claimed" by the Howard camp, Alan Clark is undecided.

Howard Lain and David Tredinnick have declared for Mr Hague. Nick Wigerton and Sir Teddy Taylor are for Mr Redwood; and Philip Hammond is for Mr Lilley.

The political jockeying for the votes of the right included a statement from Mr Redwood that he would never support a European single currency, while Mr Hague said: "I would never be part of a government that joined a single currency."

Ministers ponder French style A-levels

Judith Judd
Education Editor

New A-level exams will be delayed for a year while ministers consider plans for broadening the sixth-form curriculum, which could include a version of the continental-style "baccaulaureate".

The postponement, which is expected to be announced tomorrow, has been prompted by fears that the revised A-levels will fail to ensure that sixth-formers take a wide range of subjects. One idea under discussion

is a version of the French baccaulaureate which would require pupils to take a variety of science and arts subjects as a basis for university entry. At present, entry is usually through three A-levels.

David Blunkett, the Secretary of State for Education, is particularly keen that, under the new system, vocational qualifications should have the same status as A-levels.

Changes in A-levels, including a new exam after one year's study, were due to be introduced for pupils entering the

sixth form in September 1998. They were recommended by Sir Ron Dearing who reviewed all qualifications for 16-19-year-olds for the last government.

He proposed that the sixth-form curriculum should be broadened by encouraging students to take five "A-S" exams,

equivalent to the first year of a traditional A-level course, before deciding which two or three subjects they wished to pursue to A-level.

Government sources last night played down the delay. "There is no going to be a radical overhaul. We want to look

at how we ensure that those doing A-level are doing something a bit broader. We are not looking at grandiose schemes for a British bac."

The new framework is still expected to include important elements of Sir Ron's work. Under his proposals, exam boards had to rewrite syllabuses which were delivered to the Government's exam advisers for vetting only last week. Both schools and academics have protested at the haste in which the syllabuses have had to be prepared. The first new A-S levels were sched-

uled for 1999 and the A-level a year later.

John Dunford, past president of the Secondary Heads Association, said headteachers would welcome the postponement. "There was no way we could have introduced this in time for 1998."

"We would be sorry to lose the new one-year A-S exam but it is a price we would be prepared to pay for a longer more radical review which would bring academic and vocational qualifications together in a single structure."

Play rescued
A never performed play by the American playwright Tennessee Williams has been rescued by the actress Vanessa Redgrave and will premier in London. Page 3

Dayaks' ritual magic
Of all the strange and terrible things that have taken place in Borneo this year, the strangest and most disturbing element of all is the part played by ritual magic.

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19-23 June

WIMBLEDON TENNIS CHAMPIONSHIP

23 June-3 July

THE 1997 CLICQUET GOLD CUP, COWDRAY PARK

28 June-29 July

HENLEY ROYAL REGATTA

2-6 July

HAMPTON COURT PALACE INTERNATIONAL FLOWER SHOW

9-13 July

HENLEY FESTIVAL OF MUSIC AND THE ARTS

9-12 July

BRITISH GUARD PRINCE'S SILVER STATE

13 July

COWES WEEK

2-9 August

Veuve Clicquot
CHAMPAGNE OF THE SEASON

The night of the long glasses

Colin Brown
Chief Political Correspondent

The passion fruit canapés were soggy as John Redwood's party, said one MP dismissively last night, as he prepared to move on to the rival champagne reception for Peter Lilley.

The Pimms was also watered down, according to some outraged Conservatives who went to the Redwood party in Dining Room A at the House of Commons.

Perhaps that was just as well. It was going to be a long night after all.

The floating voters had five parties in succession, to sample the drinks and nibbles - and to taste the opinions of each of the candidates standing in today's election for a new Conservative leader - and they needed a clear head to sort their way through the field.

After cream tea with John Redwood and his wife, Gail, MPs sauntered across Parliament Square to the St Stephen's Constitutional Club for Mr Lilley's party, where they were welcomed with glasses of the house champagne, laid on at £2.50 a bottle, with smoked salmon nibbles and the chance to hear from the former secretary of state for social security about his views on the European single currency.

"My opinion is for rent and my vote is for sale,"

who wished to turn up at the Royal Institute of Engineers, where the former Chancellor had ordered his supporters not to be too lavish with the drinks, although they were allowed to serve the guests red and white table wine.

But the missing ingredient from this unique Tory party night was the spice that would have been provided by Michael Portillo, who lost his Enfield Southgate seat at the election.

That did not stop some reminding MPs what they were missing by being three actors dressed as Mexicans, in sombreros and flared trousers, to pick the Lilley party with a placard declaring: "Portillo + el Presidente."

Tory MPs may have looked bemused, but if they had been given the chance, el Presidente Portillo would have had a walkover today, and his supporters would no doubt be celebrating with tequila.

Those touring the parties included Michael Fabricant. One Lilley supporter said to him:

"OPEN IN BARS

OPENING BARS

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news

significant shorts

Dobson orders inquiry into breast-screening service

An inquiry into a local breast-screening service was ordered by Frank Dobson, the Secretary of State for Health, yesterday, following delays in the diagnosis of 12 women who developed breast cancer.

Answering an emergency Commons question, Mr Dobson said he was "not satisfied" with the performance of the East Devon Breast Screening Service which announced last week that it was rechecking the records of 1,900 women. He is understood to have been angered by the time it took to identify the problem after concerns were first raised by medical staff. The two NHS trusts that run the service, the Royal Devon and Exeter and the South Devon, were also unable to confirm how many women were involved in the rechecking exercise.

More than 2,000 women have called helplines set up after the announcement last Thursday that problems with the breast-screening service had led to the delayed diagnosis of 12 women, two of whom had died. The problem arose over the interpretation of tiny deposits of calcium in the breast, which can be a warning sign of cancer. The two consultant radiologists who ran the service, Dr John Brennan and Dr Graham Urquhart, have agreed to undergo retraining. A total of 4,000 records are to be rechecked.

Jeremy Lauance

Jailed 12-year-old set for release

The 12-year-old girl being kept in a Victorian jail on the Isle of Man may be released into a children's home within the next few days, it was revealed last night.

Civil liberties campaigners were outraged after *The Independent* disclosed that the girl had been jailed on remand, on charges of assaulting social workers and criminal damage, and a judge will today be asked to order her release into a home. Manx social services are working with the girl's solicitor to put together a package of measures that would allow her release. The island's director of social services, David Cooke, said: "We would actually prefer no child was locked up unless it was absolutely essential." Under the island's laws children as young as 10 can be jailed.

Jason Bennett

Bridgewater man on bail over theft

Michael Hickey, a member of the Bridgewater Four, was released on bail yesterday after appearing at Birmingham magistrates' court charged with stealing a gold ring and possessing a machete. Friends and supporters of Mr Hickey (left), who was freed in London in February after serving 18 years for the murder of newspaper boy Carl Bridgewater, cheered and punched the air in a packed public gallery as bail was granted. Mr Hickey is charged with the theft of a £750 18ct-gold diamond solitaire ring from a Birmingham jewellers on 7 June. He is also accused of possessing a ten-and-a-half inch machete, allegedly found in the boot of a car on the same day. Mr Hickey said: "It's a publicity stunt, making us look wrong and them look right, that we killed that paper boy, that's what they are still trying to say." The formal appeal hearing of the surviving three men of the original Bridgewater Four was adjourned on 23 May for a reserved judgment which is expected to be given next month.

BA bans staff pagers and mobiles

British Airways has banned staff from carrying mobile phones and pagers at airports because of a link between the devices and crime.

The ban applies to staff who work in the cordoned-off airside areas at airports and follows a spate of thefts. "There is irrefutable evidence that mobiles and pagers have been used to aid the theft of goods in airport areas," a BA spokesman said yesterday. He added that the airline had suffered theft of luggage, cargo and duty free items involving hundreds of thousands of pounds. Last year a number of workers were arrested after security staff reported thefts.

Stamp of approval for plane design

Five of Britain's most famous aircraft designers were yesterday commemorated when Royal Mail officials unveiled a new set of stamps at the Imperial War Museum's aviation section at the former RAF base at Duxford, Cambridgeshire, where the first Spitfire squadron was formed in 1938. The "Architects of the Air" stamps, which go on sale today, chart major aircraft developments since the Thirties. They feature Roy Chadwick, designer of the Lancaster (26p stamp); Reginald Mitchell, Spitfire (20p); Roland Bishop, Mosquito (37p); George Carter, Gloster Meteor (43p) and Sir Sydney Camm, designer of the Hawker Hunter (63p).

Pregnant protester comes up for air

A pregnant woman who was among the last protesters remaining in a tunnel at the planned Manchester Airport runway site came out voluntarily yesterday after feeling unwell.

The woman, a trained nurse called Denise, had spent 10 days down the "Coke Hole" with three male companions but yesterday was worried that dehydration could harm her and her unborn child. A Cheshire Police spokesman said that Denise had been taken to Wythenshawe Hospital in Manchester "as a precaution", and it was expected that she would later be arrested and taken to Wilmslow police station. It is thought that bailiffs could take several days to remove protesters Matt, Muppet Dave and Neville, who are holding out behind up to 11 locked steel doors in the 50ft deep, 100ft long tunnel.

Michael Streeter

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people



Angry: Mr and Mrs Cassidy at the hearing, where they called for clearer guidelines (Photograph: PA)

Our baby's fate should be our decision, parents tell inquiry

The mother of a baby girl who was left to die after being born prematurely called yesterday for parents to be given the right to decide whether doctors should try to save their children.

Giving evidence at a fatal accident inquiry into the death of her daughter, Rebecca, Kristen-Anne Cassidy, 23, said that even if the child had little chance of surviving, resuscitation should still be carried out.

Miss Cassidy gave birth at Ayrshire Central Hospital last September, following a 25-week pregnancy, but her 1lb 4oz baby died up to an hour later after paediatrician Faisal al-Zidgali deemed her to be "non-viable", with no prospect of survival.

However, according to Mrs Cassidy, her daughter, although small, was breathing normally and was "perfectly formed".

Miss Cassidy, of Benbain Place, Irvine, Ayrshire, repeatedly told the inquiry at Kilmarnock Sheriff Court that she and her husband John, 35, should have been given the ultimate decision whether Rebecca had the potential to live. "If they show the slightest sign of life, surely that is enough for them to be given a chance?" she said. "The parents' opinion should be definitely making a difference as to what the decision is."

Mrs Cassidy, who spent almost four hours in the witness box, told the inquiry that it took doctors up to five minutes to visit her after she had given birth to Rebecca.

She claimed that when Dr al-Zidgali did arrive after her husband had already telephoned relatives to tell them the baby was alive, she said he walked up to the ventilator table on which the baby had been placed and said the child was too small to survive.

Mrs Cassidy said that before she went into labour the doctors and midwives had not indicated what they intended to do after the birth, advocating instead a "wait and see" attitude.

She told her lawyer, John Macdonald, she had assumed that if the baby was born alive they would do everything they could to sustain life.

Asked by Mr Macdonald if she knew of any guidelines covering such a case, Mrs Cassidy said that she knew of two separate guidelines.

The first, used throughout Britain, was that babies born weighing more than 500 grammes should not be put into intensive care - Rebecca had been 570 grammes.

The second was that doctors should do what the parents requested.

Pillar of Left defects from CND to Saatchi

A doyenne of the Left who was chairwoman of the Campaign for Nuclear Disarmament, as well as a leading light at the Commission for Racial Equality, has moved to a senior job with the advertising agency that helped the Conservative Party win four general elections.

Marjorie Thompson, whose impeccably liberal-left *curriculum vitae* includes stints advising Aids and cancer charities, as well as 10 years with CND, is joining Saatchi & Saatchi to head up what it calls the UK's first "cause-related marketing" division.

As head of the CRED's marketing and PR effort for the last four years, Ms Thompson was herself a Saatchi & Saatchi client before taking the new job.

She worked for CND from its height in 1983, when it was targeted as an "enemy within" by the Thatcher government.

As well as working in marketing and PR for the CRED and CND, American-born Ms Thompson has worked as a parliamentary lobbyist for the Royal College of Nursing. Saatchi & Saatchi wants to be the agency that creates their joint campaigns.

Ms Thompson's appointment was announced at a Medie Trust conference addressed by Peter Mandelson, the Minister Without Portfolio.

"The people who did the Conservatives' advertising have left," said Ms Thompson yesterday.

"Still, if Saatchi & Saatchi had ever

**Daniels threatens disappearing act**

The magician Paul Daniels came a step closer to performing his threatened disappearing act yesterday, now that the country has a Labour government.

Mr Daniels, 58, said before the election that he was considering leaving Britain, citing possible rises in income tax levels under Labour. He was in artistic company with Lord Lloyd Webber, who also stated he was ready to flee the UK.

Yesterday Mr Daniels fuelled speculation that he might leave by saying he was selling his house.

"I have to say I am a bit worried and a bit sad, and I am not looking forward to the next Budget," he said. "I'm selling my house now and I might well leave, you never know. I would hope to get work wherever I was."

He added: "Last time Labour were in power they did some terrible things."

The magician is taking a break from television work and is starring in his first West End straight role in *Moliere's The School for Wives*, which opened last night at the Comedy Theatre.

But Daniels insisted that his days as a magician are not over.

"As a magician I am also an actor, so performing on stage in any form is all part of the same job to me," he said.

Matthew Brace

briefing

SOCIETY

Women are better with cash, but have less of it

Women are better than men at managing money, but face too many obstacles in using money to improve their own and their families' prospects.

The charity Actionaid found that more than three-quarters of women questioned said they were very good at managing money, compared with 54 per cent of men. Both sexes agreed that women were better than men at managing money.

But of 1.3m people living in extreme poverty, 70 per cent were women. The Low Pay Unit said women had taken the brunt of a rising income inequality and that the 10 worst-paid jobs in the country were done by women.

Globally, the United Nations Development Programme estimates that women's unpaid and underpaid work is undervalued to the order of \$11 trillion a year. If women's work was properly valued they would emerge as the major breadwinners.

"Women can and do make a significant impact in reducing extreme poverty," said Marion Jackson, Actionaid's director of marketing. "When they control the purse strings the whole family benefits, particularly children. But the world now has to support women."

A briefing, *Banking on Women*, is available from Actionaid. Tel: 0171 281 4101. Glenida Cooper

HEALTH

400 per cent rise in food poisoning

Cases of food poisoning have rocketed by more than 400 per cent in the past decade, the Government said yesterday. Last year 84,345 people in England and Wales, and a further 4,940 in Scotland, were hit by food poisoning. Twenty people died in the Scottish *E. coli* outbreak.

And drinkers dipping into bowls of nibbles on pub counters could be picking up more than peanuts, the food safety minister, Jeff Rooker, warned.

At the launch of National Food Safety Week, organised by the Food and Drink Federation, Mr Rooker said bowls of crisps, peanuts and mints in bars and restaurants were all potential health hazards from which consumers could pick up bugs.

He added: "You don't know where the sticky fingers that have been in the bowl before you have been."



In a poll conducted for the FDF last year, 6 per cent of adults claimed to have felt unwell after eating. The survey also found that 35 per cent of adults and 53 per cent of children admitted not washing their hands before touching food.

TRAVEL

Air passengers double in a decade

Airports operator BAA handled 98 million passengers in the 12 months ending at the end of March 1997 - almost double the number which passed through its airports 10 years ago.

In a breakdown of airport usage to coincide with the firm's annual results, the company said that of its airports, Heathrow had the most experienced fliers, with more than 17.8 per cent of those departing last year having flown seven or more times before. More than 47 per cent of those flying to or from Gatwick were on their first flight.

Southampton airport was said to be the most male-orientated, with only 36.6 per cent of passengers last year being women.. Stansted airport had the youngest fliers, with more than 22 per cent under the age of 25.

As many as 45 per cent of Heathrow passengers were non-UK. Business, page 20

ROADS

Drivers should face urban tolls

More than two in five people believe motorists should have to pay to drive in busy urban areas, a survey claimed yesterday.

More than half of those questioned by the NOP research group felt that pollution from traffic affected their health. But more than a quarter said they were not really bothered by traffic pollution.

The survey also showed that Nine in 10 thought pollution from traffic fumes had worsened in recent years, and that 23 per cent believed that car tax and petrol prices should go up to discourage car usage.

Meanwhile, one third said the Government should keep on building as many new roads as is necessary to meet demand, and 35 per cent of men and 31 per cent of women did not see why drivers should cut back on car usage.

"There may be no simple solution to the problem of traffic pollution, but most people now appear to accept that an overall reduction in car usage in Britain - particularly in urban areas - will improve their quality of life in the long term," said NOP.

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Court told of Kray, the lovely, lovely man



Witness: 'Mad' Frankie Fraser at Woolwich Crown Court

James Mellor

A strange choice of character witness he may be, but the 73-year-old former gangster 'Mad' Frankie Fraser, notorious for his brutality in London's East End during the 1960s, yesterday appeared before Woolwich Crown Court to vouch for the character of old-time gangland opponent, Charlie Kray.

Mr Fraser, who has spent a total of 42 years behind bars, quipped: "It's the first time I have ever walked out of a court free," as he was discharged.

This aside typified much of the proceedings where the worlds of show business, glamour modelling and crime rubbed shoulders.

Mr Fraser, dressed smartly in a black and white chequered jacket and tie, told the court of Kray: "He is a coward, but a lovely, lovely man. You couldn't trust him to steal a penny. He would run a mile."

The diminutive Mr Fraser, who recently launched a guided tour service of the Kray's former East End empire, added: "He could not say boo to a goose. Everybody knew that he was different from his brothers."

Looking firstly at the defence counsel, Jonathan Goldberg QC, and then at Judge Michael Carroll, he continued: "My heart really bleeds to see him in the dock. He is as innocent as you are and you are my Lord."

Later under cross-examination, he told counsel for the prosecution Kelsey-Fry QC: "You are probably more into drugs than he is", a comment which earned a gentle rebuke from Judge Carroll.

During Mr Fraser's evidence, Mr Kray, a former navy boxer, sat hands clasped and head bowed at the back of the court.

Wearing a navy blue suit, blue shirt and dark tie, Mr Kray smiled as his old adversary took his seat.

Another witness, William Murray, who plays tough-talking Detective Sergeant Don Beech in the television series *The Bill*, described how Mr Kray helped him to launch his acting career after the two met in an East End boxing club.

how Mr Kray had once described drug dealers as "the scum of the earth".

Later she blew kisses to Mr Kray as he sat at the back of the court, to which he responded with a broad smile.

Earlier the court had heard testimony from a barmaid from Birmingham, Michelle Hamdouchi, who described a brief affair she had with one of the undercover officers investigating the cocaine ring of which Mr Kray is said to have been a part.

Ms Hamdouchi had met the officer, known only as "Brian", at Mr Kray's birthday in July last year. She explained that the two had returned to her home and had sex.

The following morning she said, he had given her children £40 before she drove him to a meeting with Mr Kray.

Later she described an evening in a hotel at Waltham Abbey, Essex, where she, Brian, another officer known as Jack and Victoria Adams, one of the Spice Girls, had drunk throughout most of the night.

She explained how the officer told her that the deal with Mr Kray had fallen through but an alternative purchase of cocaine had been arranged. Earlier in the case Brian, speaking from behind a screen to ensure his anonymity, had denied the affair with Brian.

Mr Kray, 70, of Sanderstead, south London, denies two charges of offering to supply cocaine and of supplying 2kg. The trial continues.

Never mind saving the elephant... what about the white rhino, the brown bear and African mahogany tree?



Under threat: The mahogany tree (far left), brown bears (left) and the white rhino

Photograph: Planet Earth

Double in a decade

Nicholas Schoon

South Africa has done a better job than any other country at enabling its rhinos to survive. Now it wants to start a trade in dead ones. A controversial proposal will be considered by the CITES treaty meeting, the UN convention which regulates the trade in endangered species, which opened in Harare, Zimbabwe, yesterday.

Other species under discussion at the meeting include the big leaf mahogany from the Amazon rainforest, grey and minke whales and brown bears from Europe and Russia.

In the 1920s there were only about 50 white rhinoceroses, one of two African species left in South Africa, as a result of persecution by big game hunters and poachers. Today there are some 7,000.

But the Natal national parks now have a stockpile which, like elephant tusks, cannot be legally traded because this is banned by the CITES treaty. There is, however, still a market for smuggled rhino horn which prices it at roughly \$1,000 a kilogram. The South Africans say spending that kind of money on wildlife conservation could bring huge gains at a time when government budgets are under strain.

The debate over the horn is similar to that over the move by Namibia, Zimbabwe and Botswana to be allowed to trade their elephant ivory stockpiles with Japan.

Both proposals seem unlikely to get the two-thirds majority vote needed among the 140 CITES nations to get the go-ahead. But they, or similar requests, are bound to feature at future treaty meetings.

There is now widespread agreement between conservation groups and governments that wildlife has to be managed to be conserved. And that management must involve exploiting it in a way that benefits local communities, giving them an incentive to look after it. But there is a passionate argument about whether that exploitation should consist only of encouraging overseas visitors to look at the wildlife, or include big game hunting and selling animal products abroad.

Since 1977, all five rhino species, the black and the white rhinos from Africa, and three from Asia, had been fully protected from any international trade under CITES. But an illegal trade continued and rhino numbers continued to fall until a few years ago, with the exception of the white.

At the last CITES meeting two years ago South Africa won an exemption to export live white rhinos for conservation purposes and to export hunting trophies from those big game hunters who legally shot it (having paid large sums for the privilege).

Now it wants to go further, and trade in rhino parts, though it would accept a "zero quota" initially, meaning no trade at all. But the proposal would establish South Africa's right in principle to export rhino products. The country says it has a right to do so, having shown it can conserve the species. Apart from the horns, it is interested in sales of rhino skin, valued in Oriental medicines used against skin ailments.

But conservationists say a resumption of legal trade would risk raising demand for rhino horn and the price, encouraging poachers in parts of Africa and Asia where other rhino species are still endangered. There are only about 70 Javan rhinos left.

"We'd have countries going back into business importing rhino products," said Dr Esmond Bradley-Martin, WWF's leading rhino consultant. Until a few years ago, Taiwan was the world's leading rhino horn importer. But an investigation by the wildlife trade investigating body TRAFFIC earlier this year showed that Yemen, next to Saudi Arabia, was now the leading importer taking about 50kg a year.

young Tennessee Williams. She became intrigued and went to New York to urge Williams's long-time friend Maria St Juste, who managed his estate, to release the manuscript.

Maria St Juste, who has since died, had never released the play because she felt that if Williams had not released it in his lifetime he must have had his reasons. However, Ms Redgrave and she had been friends for some time and she agreed to release it to her. The annotated typescript was found among the late playwright's papers, and Ms Redgrave secured the rights for its performance.

The one misfortune for her is that the main female part is a 19-year-old secretary, which she is too old to play. The one middle-aged woman in the play appears only for a brief scene. Nevertheless, she was keen to play that role, until Trevor Nunn, the director designate of the National Theatre told her it would be inappropriate for her to take such a small role.

David Lister
Arts News Editor

A never-performed play by the great American playwright Tennessee Williams has been rescued by the actress Vanessa Redgrave. It will be given its world premiere at the National Theatre in London next spring.

The play, *Not About Nightingales*, was written in the Thirties when Williams, who died in 1983, was in his twenties. It would have been one of the earliest plays he wrote. Set in a men's prison, it partly concerns homosexual relationships. That is the probable reason why American publishers and theatre managers were wary of it.

It has never been staged. Nor does it appear in any collections by the author of *A Streetcar Named Desire*, *Cat On a Hot Tin Roof* and *The Glass Menagerie*.

Vanessa Redgrave came across a reference to the play in a new biography about

Announcing the discovery yesterday, Nunn said: "It is pretty extraordinary for someone to be talking about the world premiere of a new Tennessee Williams play. That should be an impossibility. But it was discovered by Vanessa who was intrepid and resolute and got hold of a copy which was a typescript."

"It's never been done, never been read. It is completely unknown."

"It is a complete play and a very harrowing play. It has elements of the style which you would associate with Tennessee Williams, but is not really like a Tennessee Williams play. It is about a young prisoner who has poetic sense of himself and what he wants to achieve ..."

"It's fantastically bad luck for Vanessa that the only substantial woman's part is of a 19-year-old secretary."

The production will be a co-production with the company run by Vanessa Redgrave and her brother Corin.

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Playwright Tennessee Williams (top), and Vanessa Redgrave



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Kim Sengupta

The former Cabinet minister Jonathan Aitken was accused in the High Court yesterday of conspiring to deceive the Government over who paid the bill during his controversial stay at the Paris Ritz hotel.

He carried out a scam with an Arab businessman, Said Ayas, to concoct an alibi with the intention of misleading the Cabinet Secretary Sir Robin Butler, the court was told.

Mr Aitken is suing *The Guardian* newspaper and Granada TV, makers of the

documentary *World in Action*, over claims that he was in the pocket of powerful Saudi interests, pimped for Arabs and engaged in illegal arms trading.

On the question of who had paid for his two nights at the Paris Ritz while he was defence procurement minister, Mr Aitken maintained his wife, Lolicia, had paid what she believed to be the full amount in cash.

It was later discovered there was a shortfall of £426 which had been paid by mistake by a nephew of Mr Ayas, Abdul Rahman. Mr Aitken repaid this by cheque.

George Carman QC, for the defence, told the court that the whole bill had in fact been paid by Prince Mohamed, a son of the Saudi king, through his treasurer, Abdul Jawad, and not Mr Ayas's nephew. Acceptance of the hospitality by Mr Aitken would have been in direct contravention of the guidelines regarding ministerial conduct.

Mr Carman further alleged that Lolicia could not even have paid part of the bill, as Mr Aitken had reported the Cabinet Secretary and the Prime Minister. And when there was a danger of being found out he

orchestrated the alibi with Mr Ayas.

Mr Carman said to Mr Aitken during cross-examination: "Conspiracy number one – you and Mr Ayas, a long-standing close friend, needed to explain the fact that half the bill had not been paid in cash. And indeed you had committed yourself too early in saying that your wife had paid the bill."

"You and Ayas developed a false story that Rahman had overpaid the bill. And the scam is that you wrote out a cheque to Rahman for £426, he cashed it in, your bank in London is

debited, and so you produce a receipt for Sir Robin Butler."

Mr Aitken responded: "I object to alibi. I was trying to set out what had happened as best I could. It was an unfortunate and regrettable muddle. I was making reimbursement, regrettably I made it to the wrong person. I did all this not in seam or conspiracy but in good faith."

Mr Aitken accepted the fact that the whole bill had been picked up by Prince Mohamed.

But he did not notice at the time. Mr Carman asked if it was not "astonishing" that Mr Rahman, who had not spent a pen-

ny, should cash Mr Aitken's cheque without telling him.

The former Minister denied it indicated a conspiracy.

Mr Aitken had said his wife preferred to pay bills in cash rather than use credit cards because she was dyslexic. However, Mr Carman told the court that the night before she had settled another hotel bill in Switzerland by using an American Express credit card.

Earlier Mr Aitken had told the court that he believed that he may have been the victim of a set-up over his Paris stay.

The case continues.



Myth maker: The artist Gerald Scarfe with his drawing of Hades, the Greek king of the dead, for the forthcoming Disney film, Hercules. Hades, the villain of the film, is on display at the Museum of the Moving Image on London's South Bank along with illustrations of other characters from the film

Photograph: Andrew Buurman

Prisoner 'was left hanging in cell'

Kathy Marks

A prisoner who died in a courthouse cell was left hanging from a light fitting for nearly 10 minutes by Securicor staff who believed that he was faking a suicide attempt, an inquest was told yesterday.

When guards finally checked Peter Austin's condition, he was pronounced in good health and magistrates decided that a planned bail hearing should take place outside his cell. Hammersmith Coroner's Court in west London was told.

Lawyers began arguing the case as he lay motionless on the floor inside, with the guards still convinced that he was feigning unconsciousness.

Mr Austin, 30, is the first person to have died in custody while in the care of Securicor, the private security firm, which has a Home Office contract to escort prisoners between courts and the jails in the capital. He

had been arrested on 28 January this year on suspicion of burglary and taken to Chiswick police station, where he was held overnight. While in custody, he tried to cut his wrists and was examined by a police surgeon who prescribed a drug used to treat schizophrenia.

The following day, Mr Austin was taken to Brentford Magistrates' Court to apply for bail and put in a cell below the courts. Mr Austin's barrister, Stuart Armstrong, said he went to visit him after learning that he had smeared excrement around his cell. "He said to me that he wanted to go home, that he wanted his medication and that he wanted to see a doctor," he said. "He was clearly distressed and bewildered. He looked and sounded like an unhappy child."

About half an hour later, Mr Armstrong looked into the cell and saw Mr Austin hanging from the ceiling by his T-shirt. He called the guards, one of whom said: "It's OK, his feet are on the ground; he's faking it."

Mr Armstrong went on: "The guards told me that his face would be a different colour if he was trying to hang himself, and that she thought she had seen him move. I told her that although I was probably less experienced than her, I thought he looked bloody convincing."

Mr Armstrong called the other jailers, who said they could do nothing because their supervisor, Roger Clarke, was upstairs. When Mr Clarke arrived, he looked into the cell and allegedly said: "Cheeky bugger, he just winked at me." After examining Mr Austin, he said: "He's a good actor, he was pretending to be unconscious."

A bail hearing was convened outside the cell during which Mr Austin, who was lying on the floor, did not respond to questions. About half an hour later, he was found to be dead.

The hearing continues today.

Whom said: "It's OK, his feet are on the ground; he's faking it."

Mr Armstrong went on: "The

Police chief condemns paedophile vigilantes

Glenda Cooper
Social Affairs Correspondent

A police chief yesterday condemned vigilantes who used "lynch mob" justice against suspected sex offenders, as calls came for a change in the law to deal with paedophiles.

Dr Ian Oliver, Chief Constable of Grampian, called a mob of more than 100, mainly women and teenagers "totally irresponsible" after they fired two men to flee a housing estate in Aberdeen. He said they had acted on "speculation" which was not only rumour but was "deliberately false".

The debate over whether convicted sex offenders should be able to live in the community and, if so, whether people should be informed, has been renewed this week with two further cases.

In Liverpool, where a convicted paedophile is due to be released this week, a senior pri-

leman called for the law to be changed to enable the community to be informed. Detective Chief Inspector Paul Evans said police could do no more than keep full-time surveillance on "incredibly dangerous man", set to be released in eight days, after being detained under the Mental Health Act.

Meanwhile, in North Wales,

a couple of convicted paedophiles are taking the local police to court after their names were released to the owner of a campsite when they moved there. The couple had been banded out of three previous homes since their convictions became public.

But civil rights campaigners and probation officers said insisting that all paedophiles get treatment would be far more effective than broadcasting their names around local communities.

The new Sex Offenders Act will require anyone convicted or cautioned for child sex of-

fences to keep police informed of their addresses, and the Government has said a register of convicted paedophiles will soon come into force.

It is now considering how best to implement the Act. Proposals under consideration include indeterminate sentences for sex offenders and decisions over who will be informed.

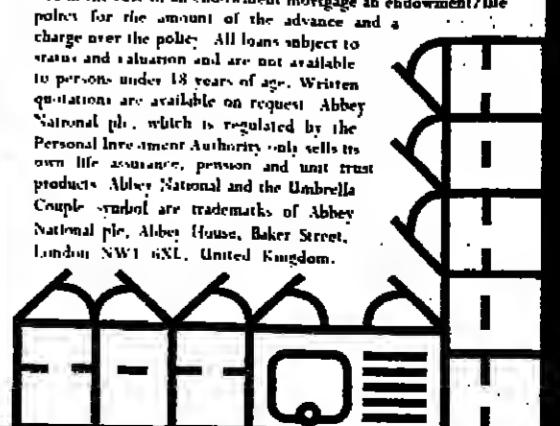
"One has to be realistic and know that some responsible parents ... have a very genuine concern as to the vulnerability of young children," said Dr Oliver. "We don't want to go back to the days of putting hands on people's foreheads."

John Wadham, director of Liberty, said that in general "both the police and the Government recognise that it is a mistake to publish people's names as it drives paedophiles underground, therefore they do not register and are more likely to be dangerous and commit more crimes."

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Seeking support: Annie Lindsell has suffered from motor neurone disease for five years

Photograph: Tom Pilston

JAY

The woman who wants a court to give her the right to die in peace

Jeremy Laurance
Health Editor

A charity for sufferers from an incurable disease is refusing to back one of its woman members who is seeking a change in the law to allow doctors to help her die in a peaceful and dignified manner.

The Motor Neurone Disease Association says it will not support the move by Annie Lindsell, who has suffered from the degenerative disease for five years. Ms Lindsell, 47, is to apply to the High Court on Thursday for a declaration that her GP may lawfully give her a drug to ease her distress, even though it may shorten her life.

The association's decision highlights the confusion among medical charities who wish to ease the suffering of patients but at the same time want to avoid condoning suicide.

Ms Lindsell is confined to a wheelchair and cannot use her arms or do anything for herself. Motor neurone disease is a fatal condition which destroys the nerves, causing progressive wasting of the muscles and paralysis. Ms Lindsell is understood to fear that she may suffer a lingering and distressing death ending in suffocation and choking.

The association said it was firmly opposed to the legalisation of euthanasia but respected the right of any individual to determine how they wished to die. The disease affects 5,000 people in the United Kingdom; it killed the actor David Niven and also Jill Tweedie, a journalist. Most sufferers die within three to five years of diagnosis but with the right care most do peacefully, and choking and suffocation are very rare.

Tricia Holmes, director of care development for the association, said: "It was very strongly felt by our trustees that every one of the areas of work we are involved in is about supporting people living with the disease. It is for other organisations to advise on euthanasia."

However, the Multiple Sclerosis Society said it would consider demands from its members for euthanasia. It recognised that for a few people in the terminal stages of the disease even palliative care "will not alleviate ... mental or physical anguish" and that some "will wish to contemplate assisted suicide". Multiple sclerosis has similar disabling effects to motor neurone disease but it is less often fatal. The society is consulting sufferers, their carers and doctors on their attitudes to euthanasia.

Ms Lindsell has been campaigning for a change in the law on euthanasia since last year. Her case, which is to have a preliminary private hearing before Sir Stephen Brown in the Family Division of the High Court, is expected to hinge on the doctrine of double effect, under which doctors may give drugs to control pain even though their effect may be to shorten life. Although not enshrined in law, it has become accepted practice as a result of the work of the hospice movement over the past 20 years. Ms Lindsell's lawyers are believed to want to extend the doctrine to include the relief of distress as well as pain.

Doctors warned that this could allow patients who were depressed to request suicide. However, Dr Vivienne Nathanson, head of ethics at the British Medical Association, said: "I can't see anything here that the courts need to decide about. ... We would say you're having the treatment not to hasten death, but to control symptoms and alleviate suffering."

"[Ms Lindsell] may be saying she wants this contract with her doctor to be binding if she gets to a stage in her illness where she can no longer indicate her views. That would have a degree of sense."

Mappa Mundi home is building of year

Stephen Goodwin
Heritage Correspondent

The library built to house the 13th century Mappa Mundi yesterday beat off competition from a public lavatory to be named as the Royal Fine Art Commission's Building of the Year.

The Chained Library at Hereford Cathedral, which took the award ahead of the lavatory at Stratford-upon-Avon, was designed by the architects Whitfield Partners. The £1.5m building was completed in April last year and houses the cathedral archive as well as the celebrated animal-skin map saved for the nation with the help of John Paul Getty's millions.

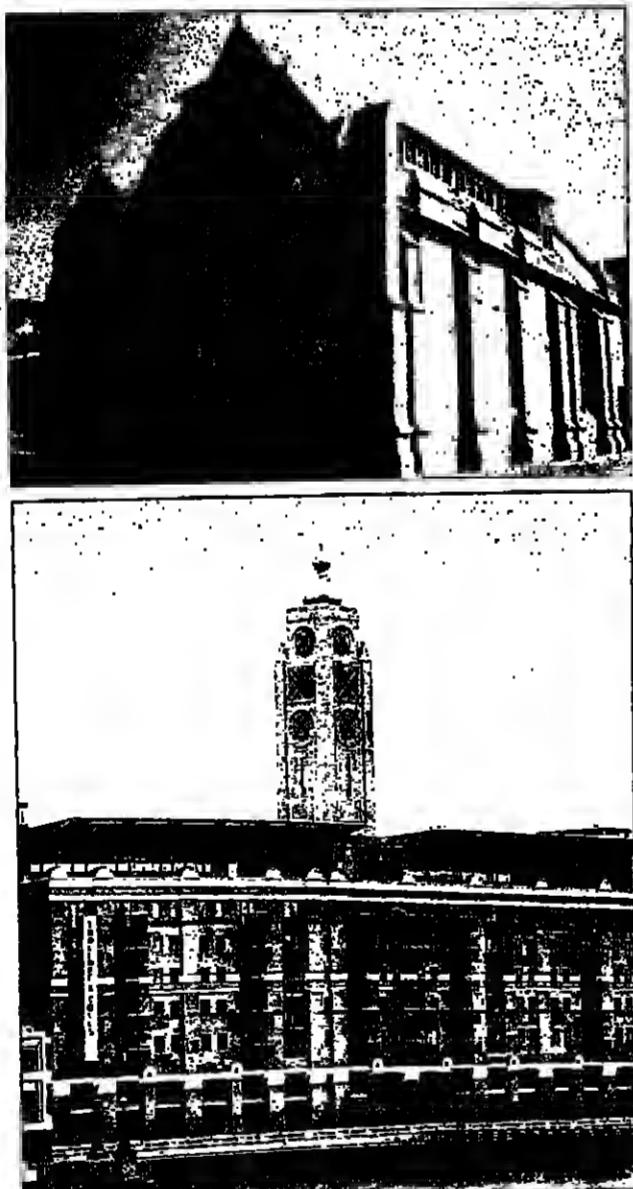
Announcing the award for the "outstanding architectural contribution of the year", Lord St John of Pawsley, chairman of the Commission, lamented the poor reputation of contemporary architects.

"There is a stain on the British imagination when it considers contemporary architecture, which has been imprinted by the dreary iconoclasm and in some cases monstrous creations of the Sixties. As a result, for many people contemporary in architectural terms has come to mean ugly or bad or inferior."

Other winners in the Building of the Year Award 1997, sponsored by British Sky Broadcasting, were Little Britain, in east London, in the restoration and conservation category, and the Oxo Tower Wharf, on London's South Bank, in the urban regeneration section.

Buildings short-listed for the main award were the Avogabank Gardens public lavatories in Stratford-upon-Avon; the Meadowbank Club at Cable & Wireless in Twickenham, southwest London; No 3 The Square, in Uxbridge, Middlesex; and Matthew Glaes & Soo's new headquarters building near Perth in Scotland.

The award for the Chained Library will be a pleasing post-



Winners: The Chained Library at Hereford Cathedral (top), voted best building, and the Oxo Tower in London

script to a saga which began at the cathedral almost 10 years ago.

Faced with a repair bill of £7m to the crumbling Norman building, the authorities decided to sell the Mappa Mundi, one of the largest maps

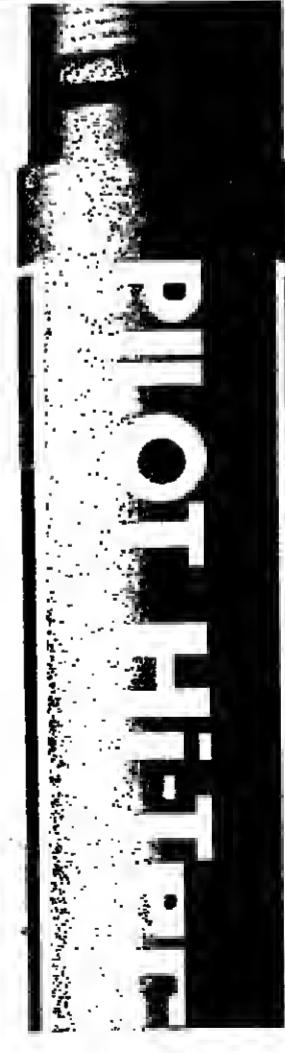
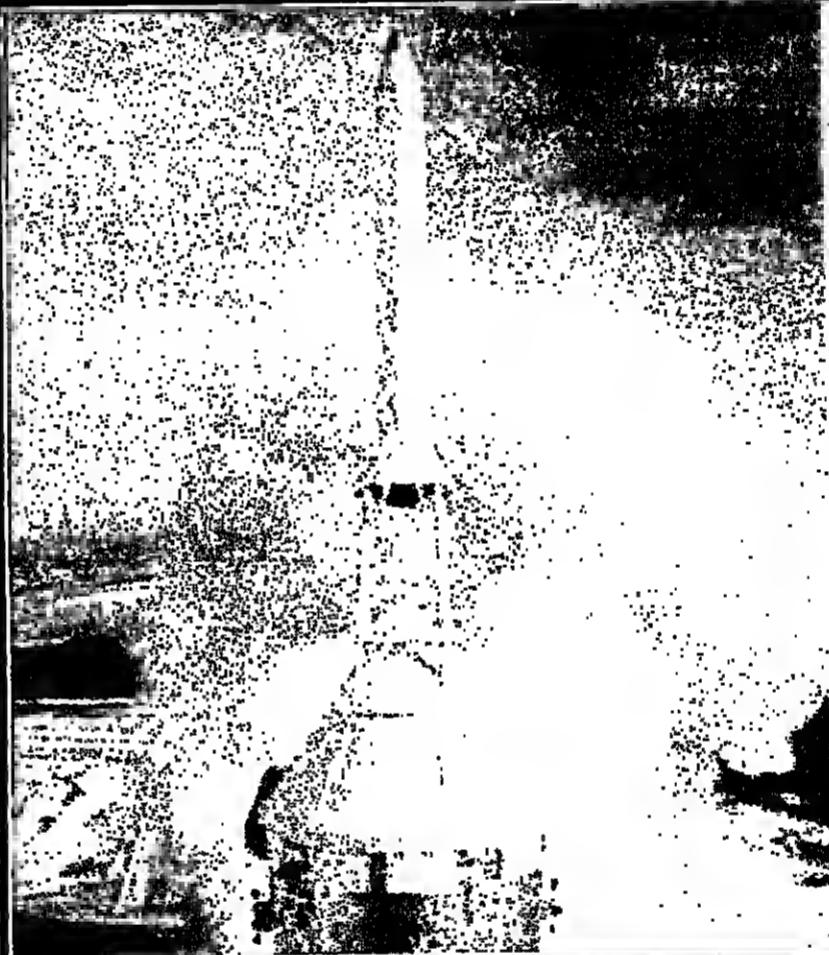
of its kind. But the proposal provoked a public outcry and the map was withdrawn from auction after a £3m rescue package was funded by the National Heritage Memorial Fund and the philanthropic Mr Getty.

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news

Last-minute attempt to save art gallery

Jojo Moyes

University chiefs at Newcastle University were meeting last night to discuss whether to close the Hatton Gallery, a move condemned by lecturers and art historians as a cultural crime.

The University is said to be facing budget cuts of 6 per cent over the next three years and would save an estimated £45,000 a year from closure of the gallery. It says it needs to focus on the "core activities" of teaching and research.

But lecturers claim the gallery itself is a teaching tool, and that the benefits of keeping it intact outweigh the small monetary gain.

The Gallery contains thousands of works whose fate is unclear, including an installation by the German Dadaist, Kurt Schwitters, the only remaining of three constructed after he came to Britain as a refugee.

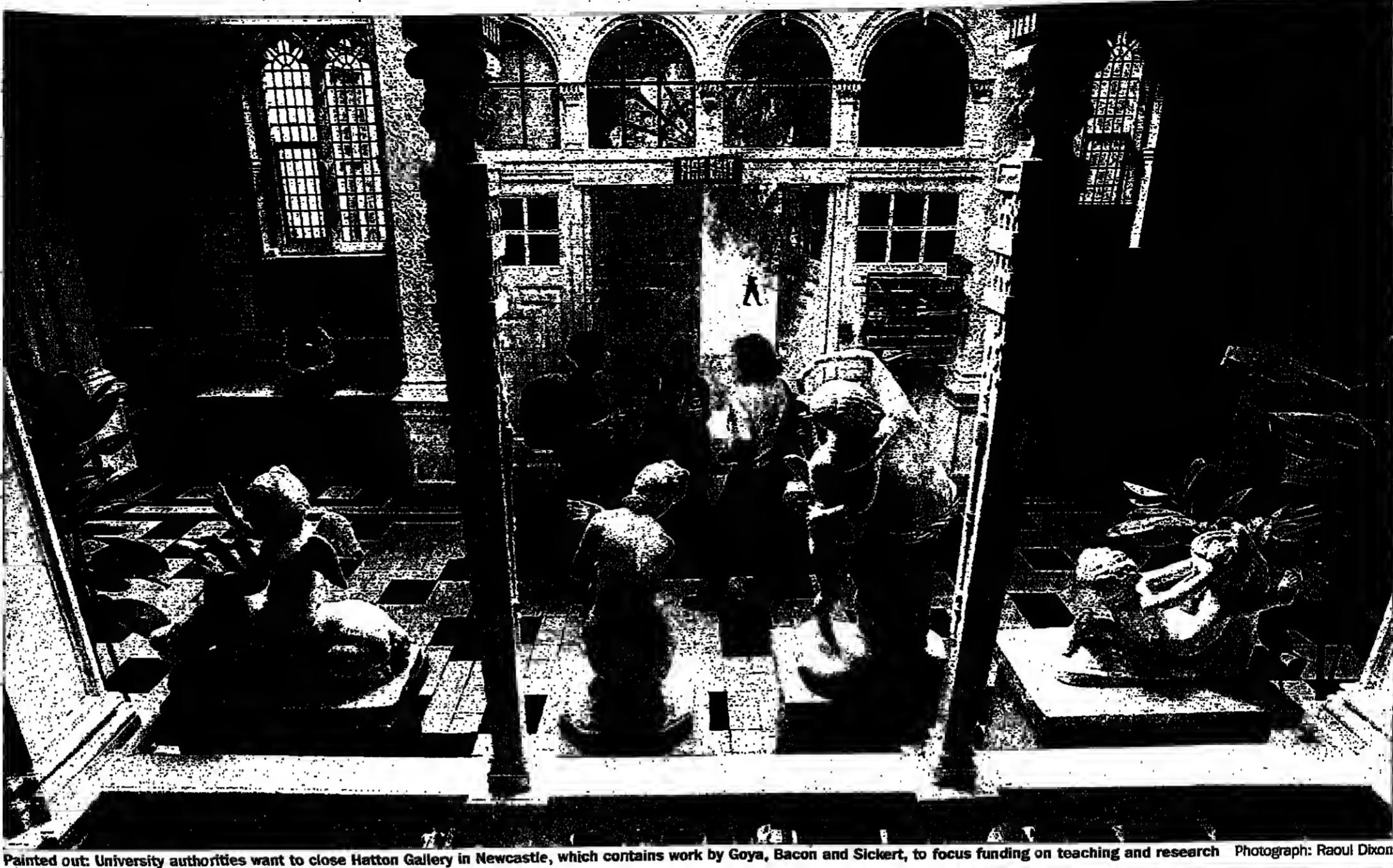
Established in 1926, it is open to the public five days a week, and is regarded as one of the most impressive exhibition spaces in Britain. Contemporary artists such as Richard Hamilton, Sean Scully and Victor Pasmore have shown there.

The collection includes a Goya, Francis Bacon's 1962 *Study for a Portrait*, drawings by Sickert, an anonymous 16th-century Flemish panel and two 15th-century Siennese altarpiece panels.

The proposed closure caused a public outcry, with the director of the National Art Collections Fund describing it as "shameful".

David Barrie wrote in a letter objecting to the closure last week: "The Hatton is a distinguished collection; not only is it a great teaching resource for the university but it is also open to the public free of charge. Closure would fly in the face of the new Heritage Secretary's commitment to education and access."

This is not the first time a university's art collection has suffered due to budgetary constraints. In 1993 Royal Holloway and Bedford New College caused a public outcry when it sold off a £11m Turner painting to help fund the upkeep of its buildings.



Painted out: University authorities want to close Hatton Gallery in Newcastle, which contains work by Goya, Bacon and Sickert, to focus funding on teaching and research. Photograph: Raoul Dixon

Alarm over safety of national treasures

The proposed closure of the Hatton Gallery could be dismissed as another casualty of budget constraints. But experts yesterday warned that the gallery was also representative of the wider issue of the role of art in a broader educational context, and how to safeguard Britain's national heritage, writes Jojo Moyes.

Some 300 academic bodies have renowned art collections, including the Ashmolean at Oxford, the Fitzwilliam at Cambridge and the Sainsbury Institute at the University of East Anglia.

In a time of increasingly tight funding, should resources that

could be spent on lecturers go to fund a university gallery?

Bill Varley, a fine art lecturer at Newcastle, was clear that they should. "When this university goes on about first priority being teaching and research I want to lay on the floor with my feet in the air kicking and screaming with rage because that's what the gallery stands for," he said.

"The function of a collection isn't simply for students ... it's a bit of social history, it shows the historical context of Titian or whoever it might be.

"There's also, dare I say it, the pleasure principle. People can come into the gallery and it's a kind of insult."

have a bit of escape from the hurly burly of life outside, and get spiritual refreshment ...

It's an added dimension to university education and to subsequent life."

There also was a danger, said Mr Varley, that if future patrons saw collections closed and bequests sold off – as was apparent at Royal Holloway and Bedford New College in 1993 – it could set an unfortunate precedent.

"No patron or trust that has bequeathed a body of work to the university is going to enjoy seeing that trust betrayed and bequests mothballed or sold off.

It's a kind of insult."

John Murdoch, director of the Courtauld Institute, believes the most dangerous precedent is that of calling into question the historic concepts of university museums.

He has written a letter to the chairman of the council of Newcastle expressing his dismay at the proposal. "Clearly you must understand the context within the way decisions are made by teaching institutions,

but the decision in this case imperils not only the future of a fine art gallery, but it raises all the questions on the long-term viability of the university museum as a concept," he said.

One director of a major mu-

seum, who asked not to be quoted, said there were serious questions to be addressed about the way university galleries are funded. "It's really a matter of the fitness of universities, in the present funding regime, to be in charge of major parts of national heritage," he said.

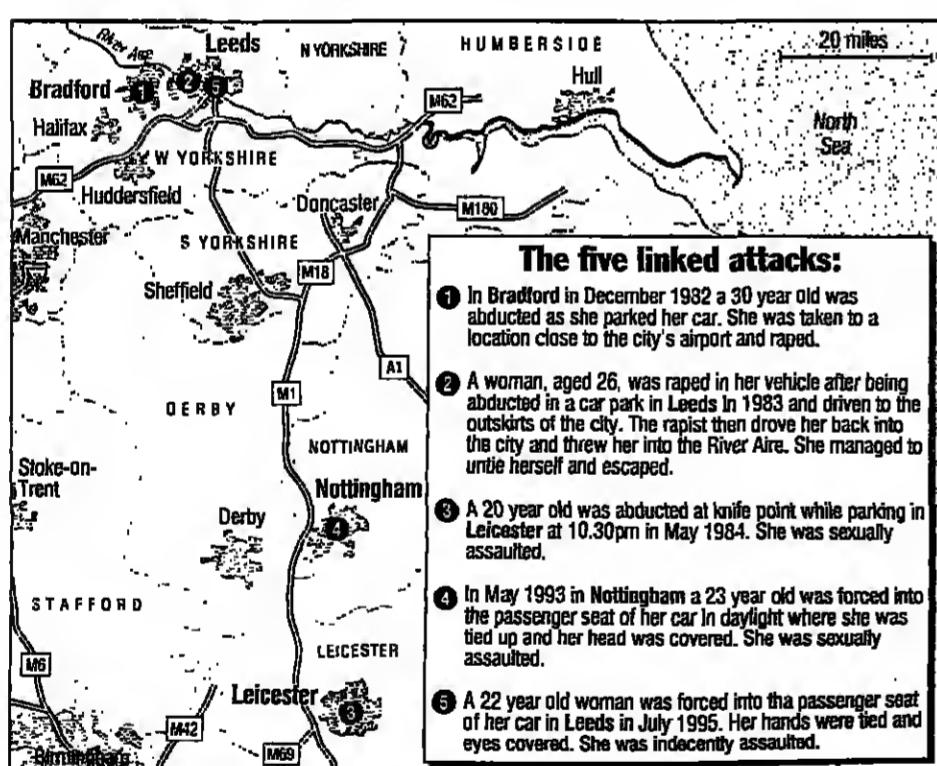
The problem arises because universities are fundamentally educational charities. When facing financial problems that threaten their existence they are almost bound to look around and notice that their institutions are quite expensive to fund, often in very distinguished buildings, which know nothing about such collections. Personally I

find it very persuasive."



The Sainsbury Institute: Future benefactors may think twice

Czech g
driver to



The travelling serial rapist who targets women who drive alone

Jason Bennetto
Crime Correspondent

A nationwide appeal for help in capturing a serial rapist, who has struck at least five times, is to be launched today.

Three police forces are taking part in Operation Lynx, which follows a series of sex attacks in the Midlands and in northern England over a period of years.

A two-year investigation by the police has uncovered new information about the man they believe to be responsible for the attacks, who is described as extremely dangerous and who uses a distinctive mode of operation. They describe him as a "travelling serial rapist".

The assailant usually abducts his victims as they are about to get into their cars in city centres, often tying them up, before driving them to a quiet location and attacking them. In one case a woman was raped and thrown into a river with a cloth bag over her head and her hands and feet tied. She managed to free herself and swim to safety.

Later today police from Leicestershire, Nottinghamshire and West Yorkshire will appeal to the public for help in tracking down the rapist, and will ask for other possible victims to come forward. There are fears that he may be responsible for other assaults or attempted abductions that have gone unreported. A telephone rape-

counselling service is being offered by the police to women who believe they may have been assaulted on a 22-year-old woman in Leeds in July 1995, and a similar attack on a 23-year-old in Nottingham in 1993.

About nine years earlier, the victim was a 20-year-old in Leicester. One of the most serious incidents was the attack which the victim, a 26-year-old, was hooded and thrown into a river, after being raped in Leeds in 1983. The first identified assault was in 1982 on a 30-year-old in Bradford.

Assistant Chief Constable Lloyd Clarke, of West Yorkshire police, who has taken overall charge of the inquiry, said in a statement: "Leicestershire Con-

stabulary, Nottinghamshire Constabulary and West Yorkshire Police are all involved in Operation Lynx, the largest investigation of its kind.

"Not since Michael Sams investigations has there been such an extensive cross-force inquiry. Each of the incidents being investigated bear striking similarities. All involve a lone woman being abducted in her own vehicle before being driven a considerable distance and subjected to sexual assault."

He added: "This man is a danger to women and I'm confident we can catch him."

A freephone number – 0800 515445 – has been set up for anyone with information which may help the inquiry.

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news

As Tory MPs toast their future leader, out in the shires the party is quietly withering away

Fran Abrams
Political Correspondent

Westminster's Conservatives may have found a reason to crack open the champagne, but as the dregs from Tory leadership contenders' drinks receptions are poured away, the party in the country has little to celebrate.

Far from looking bright-eyed towards the future, the activists and the die-hard Conservative voters have barely begun to come to terms with their loss.

Which leader do they believe can return them to power? There are at least as many opinions as candidates. Do they want a vote next time around? Some say yes, some no, some do not have the confidence even to express an opinion.

While officials at Central Office talk boldly of rebirth, reform and a new, more modern party, membership continues to dwindle and ageing members to die.

Trevor Hawkins, chairman of the Suffolk Coastal constituency association, John Gummer's seat, says that at 65 he is sometimes the youngest person at a meeting. "The membership is healthy but we lose people. Each week we have death reports," he said.

Coffee mornings, always the mainstay of party fund-raising, cannot attract the young, he adds. Branches in the area have been asked to look at the kind of functions they hold.

In Billericay, the Essex home of the Euro-sceptic Theresa Gorman, the story is similar. The constituency secretary, Carole Morris, agrees that going out and asking people to join would help, but beyond that she is short of ideas.



The waiting game: Billericay's Tory constituency secretary Carole Morris: 'We need to make an effort but we haven't got beyond the talking stage'

Photograph: Brian Harris

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group which used to hold power with 68 councillors in the early 1980s. He believes the pendulum will swing back.

"The vote wasn't so much pro-Labour as complacency and indifference towards the Conservatives. Both our local council and some of the central government are there by default," he says.

"I think people became slightly weary of us. The policies can't have been too wrong because Mr Blair has pinched most of them."

On the future of the party at national level, there is little consensus except on the need for change. Party activists feel, almost to a man and woman, that their views have not been heard. Councillors say their warnings about the disastrous poll tax went unheeded, while business people feel their needs came second to wider political considerations.

The annual conference is just a forum for mass self-congratulation. But while some call for a "one member one vote" leadership election next time and more debate on policy issues, others are not sure. One long-term activist said the job of choosing a leader was best left to MPs.

There are rays of light. Conservative students are opening new branches while north of the border the Scottish party talks of sweeping reform. Young members on the ground are full of ideas about adopting the technology and PR know-how employed by Labour.

But many of the faithful seem to be sitting still and hoping for a miracle. Perhaps the party will have to wait until 2002 for a shock that will really galvanise it into action.

Gay carer fights for right to home after partner dies

Patricia Wynn Davies

John Thompson and Martin Fitzpatrick lived together in a committed relationship for nearly 20 years as much a loving couple as millions of married people up and down the country. But when Mr Thompson, the official tenant of their flat, died, the landlords lost little time in telling his partner to leave.

Having battled over the past nine years of Mr Thompson's life to provide the best possible care for him after he was paralysed in an accident, Mr Fitzpatrick is battling to keep his home.

Three Court of Appeal judges are to rule on a test case brought by 47-year-old Mr Fitzpatrick this week. It will be the first bid by a gay man to secure the same rights as heterosexuals to take over protected private-sector tenancies when the original tenant dies.

The case probes for the first time whether social attitudes have so changed that a long-standing union between two people of the same sex should be treated as living together "as husband and wife" for the purposes of the 1977 Rent Act.

Mr Fitzpatrick, who witnesses say provided an extraordinary level of care to Mr Thompson after his accident in 1986, claims in the alternative that the nature of their relationship made him "a member of the family" of Mr Thompson, so giving him similar though lesser rights under the 1977 Act.

The two men first met in 1969 and lived together in a stable and monogamous relationship in South African-born Mr Thompson's west London flat

from about 1976. A notice-to-quit followed Mr Thompson's death in November 1994. The landlords trade under the name Sterling Housing Association Limited. But when Mr Fitzpatrick first applied, unsuccessfully, at the West London County Court to take over the tenancy, they admitted that they were not a registered housing association and that the 1977 Act, which covers private-sector lettings, applied.

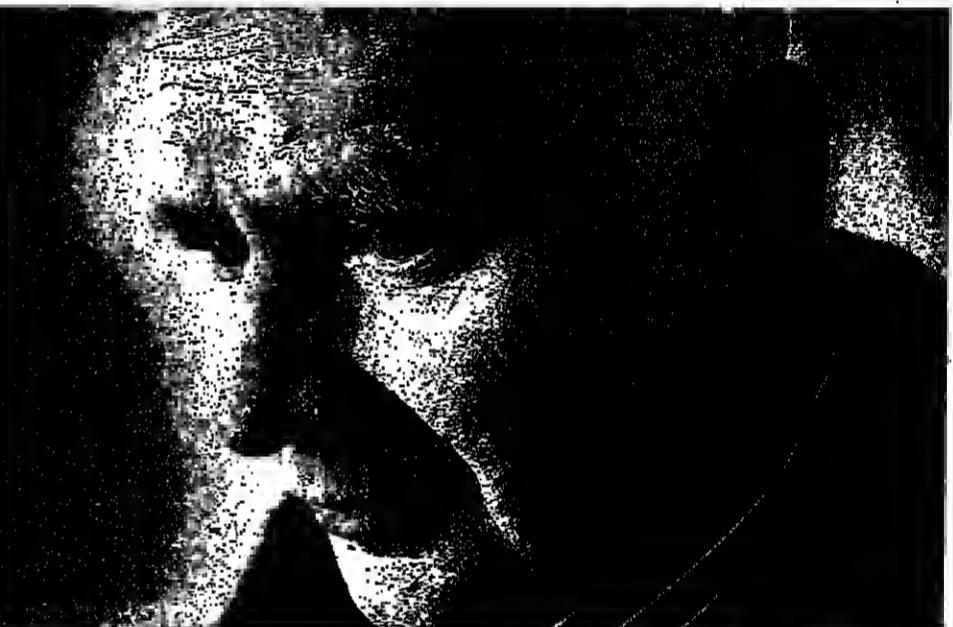
At the time of John Thompson's death the weekly rent of the basement and ground floor flat, on which Hammersmith & Fulham Council have spent thousands of pounds to adapt for his needs, was £19.50, although the landlords could have applied to have it raised.

The top two floors of the building have long stood empty. Mr Fitzpatrick, a Dublin-born former Royal Navy serviceman who defies the "passive" gay stereotype, says that in the early days their relationship might have seemed unusual – "not only was I going out with a guy, but he was a black guy," he says. "We were so close ... I would say we were like hubby and wife. We were loving people. I just loved him so much."

Mr Thompson, a former silversmith, suffered severe and irreversible brain damage after a fall downstairs. Mr Fitzpatrick was treated as next-of-kin when his partner underwent two major brain operations. He felt Mr Thompson would never make progress in hospital and took

him home to administer round-the-clock care that would last nine years. He gave up his mobile snack-bar business and became an expert full-time carer, keeping pressure sores at bay and learning how to change catheters. He devised a method of feeding Mr Thompson with a gastric tube through the nose, including pints of Guinness during trips out. He taught him to blink once for "yes", twice for "no". "I made him feel he was alive," Mr Fitzpatrick says.

Four-fifths of Greater London local authorities already allow equal rights of succession to same-sex couples. Guidance from the National Federation of Housing Associations urges its members to grant equal rights, and many associations do so.



Photograph: Adrian Dennis

Saddan

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Fall of West Bank torturer

Patrick Cockburn
Jerusalem

The Palestinian Authority, which rules Gaza and parts of the West Bank, has sacked its chief law officer, notorious for his tolerance of torture, arbitrary arrests and killings by the Palestinian security forces, and is holding him under house arrest suspected of accepting bribes.

Brigadier General Zakaria Baloushi, a senior official of the Palestinian police in Gaza confirmed that Khalid al-Kidrah, the Palestinian Attorney General, has been fired because "he received bribes and committed several violations". While not confirming that Mr al-Kidrah was formally under arrest, Brig Geo Baloushi said: "It is better for him to be at home... We are protecting him against angry people."

In his three years as Attorney General, Mr al-Kidrah became a symbol to Palestinians of everything rotten in the autonomous enclaves which they hope will become an independent state. Torture became endemic. In January, a businessman, Youssef Baba in Nablus, died of a gangrenous wound caused by burns from the electric element of a kettle pressed to his upper arm. He had been tortured over a month during which time he was admitted to a Nablus hospital five times. Palestinian military intelligence refused to let doctors amputate his arm to save his life.

Mr al-Kidrah was notorious for his refusal to respond to pleas from prisoners and their relatives. In January, Fayez al-Qumseh, died in Bethlehem of a heart attack brought on by a beating, though the local prosecutor had told Mr al-Kidrah two months before that there were no grounds for holding him, but the Attorney General had failed to order his release. The only time he showed any speed was in prosecuting jour-

nalists who criticised the Palestinian Authority.

The firing of Mr al-Kidrah at the end of last week is being greeted with relief by human rights organisations, who think it may be a turning point for the rule of law in Palestinian areas. Dr Iyad Sarraj, a psychiatrist and a leading human rights campaigner from Gaza, said yesterday: "The firing of the Attorney General marks a real change. He closed his eyes to any violation of human rights. Before, nobody would testify, everybody was scared." He says complaints of human rights violations have declined in recent months and, since Mr Baba was

now the Palestinian Commissioner General for Human Rights, who was arrested three times in Gaza on the orders of Mr al-Kidrah for raising human rights issues, though this was never the official charge.

After being arrested last December, he was beaten, kicked and sentenced to 15 days in prison for assaulting an armed Palestinian policeman. On another occasion police used the fact that "I had a professor of psychiatry from Canada staying with me when I was arrested to suggest I was a Canadian spy."

The vulnerability of Dr Sarraj, a distinguished medical practitioner and Palestinian pa-

triot, to arbitrary arrest showed the lack of restraint of the security services and police. He says: "During my interrogation they told me they had found a large piece of hashish in a drawer in my desk. I offered them \$10,000 (£6,100) if they showed me the drawer; it came from because my desk has no drawers."

Mr al-Kidrah's fall was sudden. It followed the detection of a private lawyer who had knowledge of the former attorney general's financial affairs. Dr Sarraj says a member of the family of a prisoner would "pay the bail money, would not receive a receipt and the money would not be seen again". After an in-

vestigation, Freih Abu Medien, the Palestinian Justice Minister, insisted to Mr Arafat he had found a reason to fire or he would resign. Mr Arafat agreed. Mr al-Kidrah was told to go.

The future for Mr al-Kidrah is unclear. Bassam Eid of the Palestinian Human Rights Monitoring Group said yesterday that he had told by officials in the former attorney general's office that "his ID and passport are being held by the authorities". Dr Sarraj has written to Mr Arafat demanding that Mr al-Kidrah be given a trial, something denied to many prisoners when he was attorney general.

international

significant shorts

Trial starts for boss of Spain's dirty war

Spain's former head of covert operations went on trial yesterday accused of stealing and leaking classified documents in a case that rocked the secret service and helped lead to the downfall of the former Socialist government.

Colonel Juan Alberto Perote faces charges of stealing hundreds of top-secret files, including some vital to state security and others that implicate the former Socialist government in a "dirty war" against Basque separatists in the 1980s.

Reuters - Madrid

Diplomat stabbed in Albania

A British diplomat was stabbed in the Albanian capital Tirana and flown to Italy for an emergency operation, a hospital spokesman said. He said the diplomat, named as Jeff Briggs, was undergoing surgery in the D1 Summa hospital. The British embassy in Rome confirmed a diplomat had been stabbed in Tirana but would not comment on the circumstances.

Reuters - Brindisi

Hijackers surrender

Two hijackers seeking publicity for the Turk who shot the Pope in 1981 surrendered at Cologne's airport, freeing 80 crew and passengers aboard an Air Malta jetliner. An airport spokesman said the two men surrendered and left the plane nearly three hours after it landed in Cologne. No passengers or crew were hurt.

AP - Cologne

Bosnian press gag condemned

International officials condemned the confiscation of a satirical magazine and warned Bosnian officials they would be punished.

"Press freedom is democracy in many ways, and this is entirely unacceptable," said David Foley, a spokesman for the Organization for Security and Cooperation in Europe, or OSCE. Police of the Sarajevo canton seized copies of the *Polička* satirical magazine. Its cover shows a montage of four pictures in which the face of former Yugoslav Communist leader Josip Broz Tito changes into that of Izetbegovic.

AP - Sarajevo

Ceausescu's health guru quits

Romania's Health Minister pensioned off Julian Minci, dictator Nicolae Ceausescu's personal physician who told Romanians meat was bad for them during severe shortages of the 1980s.

Dr Minci, a nutritionist, became notorious near the end of Ceausescu's 25-year rule as mastermind of the "rational nutrition programme" which denied meat to the country's 23 million people.

Reuters - Bucharest

Milosevic gamers support

Montenegro was likely to back Slobodan Milosevic's candidacy for the presidency of Yugoslavia but will block any moves to amend the federal constitution, a senior Montenegrin official said. President Milosevic of Serbia was officially nominated by his Socialist Party of Serbia (SPS) last week to stand for the presidency of Yugoslavia who the five-year mandate of incumbent Zoran Lilic expires on 25 June 25.

Reuters - Belgrade

Thieves make off with jet

Unidentified thieves have stolen a jet airliner from a Russian airport and flown it across the border to the former Soviet republic of Kazakhstan, officials said. The airliner was seized by two men in the southern Urals city of Oskol last Thursday. They flew 545 miles before landing at a deserted airfield in central Kazakhstan.

AP - Moscow

Catalogue of shame: Pictures of the bodies of Yousef Baba (far left) and Fayez al-Qumseh (left) as they appeared in 'The Independent' on 24 February

Youssef Baba, the deputy minister of health, and Fayez al-Qumseh, director-general of the ministry of human rights, have been killed in separate incidents in the last two weeks.

Both men were reportedly tortured before they died. Dr Baba, 51, was tortured for 10 days before he died, while Dr al-Qumseh, 45, was tortured for 15 days before he died.

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French follow US with Congo airlift

Fault line undermines fragile euro

Sarah Helm
Luxembourg

The French refusal yesterday to accept Europe's agreed priorities for the single currency is the most concrete evidence yet of the dangerous fault line which runs under the euro's fragile foundations.

Hurried attempts were last night being launched to patch over rift, but the question remains: could the divisions exposed yesterday re-emerge and push the project off course?

The risk of rupture over the design of economic and monetary union (Emu) has always been highest between France and Germany, where differences in the philosophy of the euro-zone run deep.

Germany has consistently demanded that, in return for its willingness to give up a strong mark, other member states must accept the strict rules of fiscal discipline, in order to give the euro the best chance of being as strong as the mark.

Only by demonstrating that other member states are prepared to accept German-style monetary discipline could Helmut Kohl, the German Chancellor, hope to persuade the German people that it was safe to sacrifice their currency.

The Maastricht rules for the euro are set largely to German

standards. And in November 1995, Theo Waigel, the German Finance Minister, undermined Maastricht by proposing a "stability pact" which would ensure that countries joining Emu would maintain the same discipline after the 1999 launch.

As long as the Gaullists remained in power in France, Germany has, largely, been able to have its way over the design of the Emu rule-book.

Jacques Chirac, the French President, has always sought ways to soften Germany's monetary rigour, and has backed some form of political government to counter control by the future European Central Bank.

Germany's own difficulties in meeting the Maastricht criteria, seen most notably during the recent debacle over plans to revalue German gold, have strengthened the case for a more "flexible" approach to the Maastricht criteria.

The victory of the French Socialists, however, was always sure to bring France into a head-on confrontation with Germany over the Maastricht rules and the terms of the stability pact.

During the French election campaign, Lionel Jospin, the new Prime Minister, made clear that he would refuse to implement the austerity measures demanded by the Maastricht rules,



Question time: Dominique Strauss-Kahn (left) yesterday with the European Union French Commissioner Yves-Thibault de Silguy. Photograph: Reuters

thereby clearly opening the door in the "soft euro" which Bonn has hitherto abhorred.

Mr Jospin promised to create 700,000 French jobs and to reduce the working week to 35

hours, raising questions about whether France would have any chance at all of meeting the Maastricht deficit criteria under socialist rule.

On the campaign trail, Mr

Jospin also condemned the entire stability pact as "absurd", suggesting he would seek to throw out the entire set of rules should he come to power. However, a senior European minis-

ter confirmed yesterday that Mr Jospin had privately appealed for a "form of words" on Emu which would enable him to keep France on track for the launch, while demonstrating to

French voters that he had not betrayed them just one week after his victory.

And some observers saw yesterday's announcement from Dominique Strauss-Kahn, the

new French Finance Minister, that the terms of the pact had to be re-worked, as a climb-down from the hard line struck by his party during the campaign.

Nevertheless, France's adamant refusal to accept the stability pact terms yesterday, has broken a taboo. To date, no member state – other than Britain – has taken such a strong stance against any elements of Emu architecture.

Whatever magic is now performed by the Dutch presidency, ahead of next week's Amsterdam summit, no "form of words" will be enough to accommodate French demands for establishing a political counter-weight to the European Central Bank. Such an initiative will demand weeks or months of bruising negotiation, rather than days.

Germany was cautious in its first response to French demands yesterday. But it seems highly unlikely that Bonn will be able to swallow any further weakening of its prized Maastricht rules or stability pact. Patching over yesterday's row will not heal the rift.

Kohl plays the quitting game to shake allies

Ime Karacs
Bon

The unhappy ship that is Germany's governing coalition was drifting towards the rocks yesterday amid rumours that the captain was preparing to jump overboard.

Although Helmut Kohl's party denied newspaper reports that the Chancellor had threatened to resign four times last week, suggestions that he was contemplating changing the crew could not be dismissed. An attempted show of unity by the current coalition "partners" degenerated yesterday into juvenile name-calling.

The conflict revolves around the government's inability to conjure up, without seeming to idle, a balanced budget to qualify Germany for monetary



Helmut Schmidt: Talks with Kohl fuelled coalition rumour

union. Mr Kohl's junior coalition partners, the Free Democrats, have vetoed every attempt to raise taxes. Without higher taxes, the rest of the government argues the feat cannot be performed, now the Bundesbank has blown the whistle on Theo Waigel's attempt to revalue German gold reserves.

The Free Democrats cannot back down. Unless they can flex their muscle, such as it is, and demonstrate their influence in government, they will disappear from the political scene at the next elections.

Sometimes they go too far. Their latest posturing, which has paralysed the government for

the best part of this year, was denounced by Mr Kohl's Christian Democrats yesterday as "blackmail". Whereupon the Free Democrats feigned injury and went off in a huff.

Meanwhile, the government's policy-making arm, the union of Christian Democrats and Christian Socialists, have fallen out among themselves over monetary union. The Christian Socialists of Bavaria have come around to the view that Emu should be postponed beyond 1999.

This makes the position of Mr Waigel, Finance Minister and leader of the Christian Socialists, doubly awkward. In Bonn he is blamed for failing to balance the books and of endangering monetary union. In Bavaria he is lambasted for busting the budget for the sake of the obscure goal of the euro.

All that unites the various shades of Christians in the government is the towering figure of Mr Kohl and hatred of Free Democrat yuppies. The FDP, for their part, are painfully aware that in opposition the voters may regard them as surplus to requirements.

Which is why threats by Mr Kohl to sink his own government just to be rid of his turbulent coalition partners are credible. He has used the gambit before, but this time the threat might be wearing thin.

This is where rumour No 2, leaked from the same Christian source, comes in. According to this, Mr Kohl's people have opened secret talks with the opposition Social Democrats. The mediator is Helmut Schmidt, the Social Democrat chancellor ousted 15 years ago. The government's negotiator is said to be Mr Waigel.

The two men met last Thursday has been confirmed, but whether they talked football or coalition unclear. An arrangement of some kind would benefit Mr Kohl as it would free the legislative logjam holding up tax reforms. More importantly, it would liberate him from the Free Democrat veto.

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international

China rewrites history of Hong Kong

Teresa Poole in Peking on the early release of film epic that aims to spike British guns at handover

"You like to eat bleeding food," shudders the Emperor's envoy as he cuts into the large rare steak put before him by the uncouth Westerners.

"I understand that Chinese cuisine is unrivalled in the world; I cannot say the same of your cannons," retorts the victorious British officer, chewing his way through a slab of meat as he demands that Peking hands over Hong Kong — adding that it would make a timely present for Queen Victoria's upcoming birthday.

History may be written by the winners, but it can always be

rewritten some 150 years later when the original sovereign power regains possession of its territory. *The Opium War*, the most expensive mainland Chinese film ever made opened yesterday in China, expansively portraying the heinous behaviour of the British in forcing the ceding of Hong Kong in 1842.

The 100 million yuan epic (£7.7m), with a cast of 50,000 extras and a fleet of Victorian warships, is China's blockbuster version of one of the more shameful episodes in British history.

The film tells the story of how China tried to stop imports of opium by the British East India Company and other traders, only to be met by the force of Her Majesty's Navy. Superintendent Charles Elliot is the villain determined to teach China a lesson, and Denton (played by Bob Peck) is an evil opium trader. The venal Chinese Qing dynasty officials, who grab every available bribe from the British in return for letting in the drugs, complete a cast of miscreants.

Against this line-up, our hero is Commissioner Lin Zexu, the honest official who was determined to rid China of the



Battle stations: Chinese war junks being destroyed by the British during the Opium War

Illustration: Hulton Getty

sorce of opium, unaware that foreign powers had such might to unleash on the Middle Kingdom. "When a nation uses iron to eat their food, we should take notice of them," he remarks ruefully, perceiving some pos-

sible connection between knives and forks and the manufacture of heavy-duty canons. China

should not be a frog at the bottom of the well", is his advice for the weak Emperor at the end of the film after China has

been roundly beaten and Hong Kong lost.

China's leaders are said to be delighted with the film, which was directed by 73-year-old Xie Jin. Over the next few weeks, the film will open at hundreds

of cinemas in China and Hong Kong, and an edict has gone out that Chinese embassies around the world should show the film on 1 July, as part of their Hong Kong handover celebrations. Chen Zhigu, general man-

ager of the film production company, said shooting the film was "the embodiment of a national soul. It is a determination of the proud Chinese to do what their ancestors have never done, and it is a great effort to sweep away the humiliation".

It is one of the many propaganda weapons to be unleashed by China. "Our original plan was to show the film in Hong Kong in July, but the central leaders ordered it must be shown in June as part of a strategy. Because now the British are holding big celebrations there; they will invite the most famous singers, and send for the most luxurious pleasure-boat to ferry the British leaders back home. They will hold banquets and say 'it is who gives Hong Kong as a gift to you'. This film, as a personal expression of Mr Xie's point-of-view, will tell people the way in which the British stole Hong Kong. They were robbers," said Mr Chen.

The film has opted for broad rather than detailed historical fact, and the big budget demands of the wide screen have encouraged certain embellishments designed to delight a Chinese audience. The serene and beautiful Chinese opium addict who is forced into prostitution is shown rejecting first Denton ("Why not? I am also a man"),

and then Elliot, whom she tries to stab with a pair of scissors.

The Qing court sentences her to death for endangering the peace treaty with the British.

When the British parliament is shown debating the case for war, the House is divided between the hawks and those, like one MP, who pronounce Confucius far greater than Aristotle or Socrates. "It will take generations to understand China. We may be able to defeat but not conquer them," he warns, sentiments which appear regularly these days in the *People's Daily*.

Humour is the unexpected ingredient in this enterprise. During peace negotiations, the English interpreter says with exasperation: "They are always like this; this is so typically Chinese. They never say yes and they never say no."

In the end, the brutal British go Hong Kong, while Commissioner Lin is banished by Peking to China's far north-west border. The Emperor prostrates himself before his ancestors, devastated at having yielded Chinese soil to the barbarians. But as the final credits begin to roll, there is every reason to expect the Middle Kingdom to avenge the historical injustice. The camera pans across the dark, minuscoped courtyard of the Forbidden City and halts on the statue of a lion — whose eyes start to glow an intense, menacing electric red.



Bob Peck: Plays the part of an evil British opium trader

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US general faces pressure to resign over affair

Mary Dejevsky
Washington

General Joseph Ralston, the deputy head of the US armed forces and favourite to take over as chairman of the joint chiefs of staff in the autumn, was expected yesterday to announce his withdrawal from the running following disclosures about an adulterous affair 13 years ago. There were even reports that his career was on the line and that he might be forced to leave his current post early.

The General's future had become embarrassingly intertwined in the raging public debate about sexual relations in the US military and his continued candidacy was widely agreed to be politically untenable.

Gen Ralston's likely withdrawal from the running for the US military's top post represented a spectacular reversal of his fortunes. At the end of last week, the Defense Secretary, William Cohen, had expressed his continued support for the general's candidacy, describing him as an outstanding leader whose distinguished service "outweighed" his indiscretions.

Having earlier insisted that officers be required to observe "the highest moral standards", he said that he thought it was now time to "draw the line".

These statements, however, turned out to be a major error



Tale of two careers: General Ralston, under pressure to resign, and Kelly Flinn, discharged from the air force last month

on the part of the Defense Secretary, hitherto regarded as an astute judge of the political mood and an adroit operator in relations with Congress. The initial outcry, led by a group of Congresswomen, developed into something of an all-out revolt and the few voices initially raised in Mr Cohen's support rapidly faded.

Members of Congress said that their phones had rung almost constantly since Mr Cohen first uttered his support for Gen Ralston with angry constituents accusing him of perpetuating double standards in the military and discontented servicewomen and women ringing to "inform" on other generals and high-ranking officers they believed to have committed adultery with impunity.

The contrast was frequently

drawn with the fate of Kelly Flinn, the 26-year-old female B-52 pilot, who was forced to accept a general discharge from the air force two weeks ago after admitting an affair with a married civilian and lying about it. Comparisons were also drawn with the early retirements announced last week of two senior military officers, and continuing investigations into others, for past adulterous affairs.

To many, Gen Ralston's successful career epitomised the application of a double standard in the military that extended forgiveness and promotion to members of a charmed elite, while the lower ranks and women were threatened with demotion and even discharges. The mood was summed up by Representative Carolyn Maloney, from New York City, who said: "If you are a friend of the Secretary of Defense, and you've had an affair, you're in. If you are a successful woman who's had an affair, you're out."

Ms Flinn herself threw further fat on the flame yesterday. In an article for *Newsweek* magazine, she made many of the points about "double standards" that had earlier been made on her behalf. "Ralston is a general office, a man, and he has a whole network of friends to help him. I was a lieutenant, a woman without anyone in my chain of command willing to help me."

On Saturday, in a belated attempt to limit the damage, the Pentagon had called a highly unusual weekend press conference to announce that Mr Cohen was setting up two panels, one to examine the "clarity" of existing regulations on adultery in the armed forces, the other — made up of civilians — to consider issues raised by fixed-sex training.

This, however, was not enough to quell the uproar. Gen Ralston had to cut short his tour of the Central Asian republics and return home to face his critics. By yesterday, closeted with John Shalikashvili, the general whose job he had hoped to succeed to in September, and William Cohen, it was no longer just his promotion that was in question, but his career.

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Soldiers bewitched by army of spirits

Dayaks moved as one, like a swarm of bees

Richard Lloyd Parry
Salatiga, Borneo

"I didn't believe it myself," says the schoolmaster, "but I saw it with my own eyes. There were just three soldiers in Salatiga, and when the Dayaks first arrived they fired into the air. But they were completely outnumbered, and they soon began shooting straight into them. There was one Dayak, he was 30 yards away. The soldier aimed the gun, it went 'Bang-bang!', but it didn't hurt him. They were firing to kill, but none of the Dayaks got shot. I'd heard about it, but until then I never believed it. When they are in that state, when they are filled with the spirit, nothing can harm them."

Of all the strange and terrible things which have taken place in Borneo this year - the burning of houses, the murders of villagers, and the mutilation of their remains - the strangest and most disturbing element of all is the part played by ritual magic. In plenty of ways, this is a conflict with modern and rational causes: two ethnic groups, with very different cultures and religions, both of them poor and politically marginalised, forced to live alongside one another in a country fizzing with tensions and discontent. But if the reasons for it are conventional enough, the form which the unrest has taken is unique.

In terms of the scale of slaughter, there have been far worse and more intractable ethnic conflicts, between Hutus and Tutsis, or Serbs and Croats. But never before in a modern state has one ethnic group set out, not merely to kill and drive away its enemies, but to harvest their heads, eat their hearts, and ritually drink their blood.

West Kalimantan is alive with rumours about the power and effects of Dayak war magic and, for the visitor, it makes a creepy situation creepier still. Invulnerability to modern weapons is the commonest story in Pontianak, a modern commercial city of some 400,000 people, every waiter and taxi driver has a friend in the military who saw the bullets bouncing off the advancing Dayak hordes. Eyewitnesses, like the teacher from Salatiga, are rare but belief in such phenomena is widespread, even among the best educated.

In a small town outside Pontianak I visited Father Andreus and Father Kristof (not their real names). Dayaks who trained as priests at a Catholic seminary near Jakarta. Both saw the trophy heads, and the mutilated bodies lying on the road, and it was from them that I heard about the mysterious character who leads the war parties - the *panglima*, meaning "general", or Dayak war magician.

They told me how the *panglima* summons bees to attack the soldiers, and how he can fly, and lead his enemies with the stroke of a leaf from a certain tree. How a pair of army officers in the north died vomiting blood after a curse was placed upon them, and how the psychiatric wards are filled with soldiers unshaken by what they have seen. "I've talked to soldiers who have served in East Timor, and Irian Jaya," says Father Andreus. "They are tough men. They have killed and been shot at before, but they say that they have never been more scared than they were by the Dayaks."

In Sanggau, a river city deep in the interior (the story goes), a small group of Dayaks was crying for the blood of six Madurese who were under guard in a small military out-

post. The soldiers successfully fought them off, until the *panglima* arrived at the head of an army of thousands of warriors. Hopelessly outnumbered, the soldiers handed over the doomed Muslims and surrendered. But the *panglima* was alone; there was no Dayak army. The warriors at his side were *teriu*, spirits of war and killing, made visible in the minds of the soldiers by the *panglima*'s incantation.

Father Kristof showed me a collection of magical and medicinal substances given to him by Dayak parishioners, including a plastic face lotion bottle filled with black poison for arrows and spears, and dried leaves which provide immunity from the blows of the machete. "We don't believe these things," said Father Kristof, "but they happened. You read about it in old accounts from the 19th century. Now it's happening again in 1997."

There is the story of a taxi-driver who watched a group of Madurese attempting to kill a lone Dayak. The man was stabbed repeatedly, but the blows had no effect. It was only when they held his face under a basin of water that he stopped moving. Almost always, the accounts are second-hand and vague (perhaps the knives were blunt, or the nervous soldiers simply missed their aim), but they are believed.

"When you are accustomed to using scientific means of investigation, your mind shies away from these things," says a Dayak anthropologist. "But I believe there is a supernatural world. I have to believe it, because I have heard about it from military personnel, policemen, Dayak elders, people in the Chinese community, Malays. It is hard not to believe these people, but it is also hard to believe them."

From the very beginning of the conflict, at the end of last



Warriors at arms: Dayaks in full regalia performing a war dance (above) and polishing more conventional weapons (inset).

In times of crisis, tribesmen traditionally pass the 'Red Bowl' to other villages to muster fighters. Photographs: Rex Features

tion, every village received the Red Bowl, and in 1967 when the government was fighting the communists. Compared to then, this was not a big war; I am very glad that this village did not receive the Red Bowl."

When war does become necessary, the warriors hold secret ceremonies about which there are conflicting reports. Some say that they occur spontaneously, others that they are presided over by local shamans. The *teriu*, the spirits of war and chaos are summoned from their homes deep within the interior and enter the hearts of the people - special herbs and infusions may

killings in January and February is how quickly the Dayaks mobilised, and the co-ordination they displayed across a large area cursed with poor communications. If the war parties did have ring leaders, they have not been publicly identified, and many witnesses described their behaviour as something like that of a pack or a swarm.

The Dayak are normal human beings," wrote Stepanus Djenteng, the director of the Institute of Dayakology Research and Development in the *Jakarta Post*. "They will protect themselves if any of their ancestral

were possessed, they weren't acting normally. They were completely silent, and then someone screamed, and they all screamed together - 'Who-woo-woo-woo!' The one who lead them was the *panglima*. I have seen politicians speaking to election rallies, and they are nothing compared to the *panglima*. These people would have done anything he said."

Once in their altered state, the Dayaks behaved with a mixture of restraint and frenzy. Mosques and government buildings were left undamaged (one school was burned, but it is believed that it caught fire from a neighbouring building).

Apart from the Dayaks, there are many Malays and Javanese living in East Kalimantan, as well as Madurese, dark-skinned people without obvious physical differences. But there have been no reports of any non-Madurese being accidentally killed by Dayaks. "The *panglima* have the gift of being able to sniff out Madurese," says the tribal leader. "They can smell them, and they are the only ones that they will kill."

With their victims, however, they were ruthless. Many of the victims were shot rather than stabbed, but after that they were treated according to the oldest Dayak traditions. Their heads were chopped off with the *mandau*, a traditional machete with a bone handle, forged out of local ore. Then their hearts were removed and eaten on the spot.

Possession by the *teriu* brings remarkable strength and endurance, not just against knives and bullets. "These youngsters walked from here to Salatiga, several hours through the jungle, there and back," says one priest. "They had nothing to eat or drink, not even water. The *teriu* scream and yell inside them, and when they come back, they have lost their voices. The spirit drinks blood, it has to be fed by blood, and they eat the heart directly with the idea that it gives them power. Lungs and the stomach have their own kind of power too, and if someone possessed by the *teriu* does not drink human blood, then they have to kill a chicken and use that."

"If you ask me if this is sin, it is not for me to say. I tell them in church not to murder, and they understand, but this is different. This was not just the *panglima*. There was no leader. These were not individual choices. It was a spontaneous, collective act of self-defence."

"A man once came to me and said, 'Father, why do you pray so hard for things which never come true? When we pray to the evil spirits, our wishes are fulfilled'."



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Anger rising: Dayak crowds demonstrating in Senakin village, West Kalimantan, in February

December, Dayak outrage with their Madurese neighbours expressed itself in ritual fury with the passing among the different towns and villages of a ceremonial object called the Red Bowl.

The Red Bowl is a means of communication in time of emergency between one group of Dayaks another," says Pak Miden, a *timanggong* or tribal leader in the Dayak hamlet of Aur Sampuh. "If a *timanggong* of Aur Sampuh passes the Red Bowl then he is obliged to send at least seven warriors to help his brothers. It passes from village to village - during the Japanese occupa-

tion, or the magic lie simply in the shaman's words. There is confusion too, about the nature of the *panglima*. According to some accounts, nobody quite knows who they are - they live as hermits in the mountains and mysteriously appear at just the right moment.

According to another tribal leader, however, the spirit of the *panglima* could settle on anyone. "The *panglima* could be a different person every time," he says. "Until the ceremony and the coming of the spirits, you don't know who the *panglima* is going to be."

One of the mysteries of the

lands or property rights are violated ... What honey bees would not defend themselves when their honey, nests and community members are threatened?

The photograph above was taken in Senakin village on 7 February as Dayak members of the regional parliament were attempting to pacify a crowd of Dayaks. The man who took it spent the day driving around the villages photographing severed heads and disembowelled corpses.

"This meeting," he says, "was the first time I felt afraid. They were all ready for war, and they

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Uncertainty over Dublin, but also new hope

Viewed from Malmö, or Düsseldorf, Lyon or even London, the election result in the Irish Republic is hard to pin down. Does ideology as it is understood elsewhere really play so little part in the national politics of the Republic – a country that is ostensibly one of the most European of Europeans? In France, as in Great Britain a month ago, the electoral debate is more or less about “big” issues – the creation of a common currency in the European Union, joblessness and its social effects, how to live with globalisation, the proper weight of government in the economy and civil society, decency in public life. Of course these themes resonated in the Republic’s election. But for the most part it turned on personalities and parties differing only a fraction on the big issues, divided only by the obscure history of post-partition nationalism. The governing coalition that has been ejected was reputed both at home and abroad to be doing a reasonable job – the trish boom continues, even if it fails to wash over those Dublin estates where drugs and crime are rife. Perhaps the Republic’s electorate is indeed more “European” in its enthusiasm to throw serving politicians overboard without entertaining high expectations of their successors.

Making sense of the Irish election result is made difficult because of the operations of its particular brand of pro-

portional representation. The left has just done well in Britain and France. The Republic’s Labour Party – leftwards inclined, up to a point – lost heavily. But why? Was it merely that Dick Spring and his colleagues failed to build up the dense and local constituency loyalty which seems so important in Ireland?

Fianna Fail, the party benefiting from the electorate’s itchiness, promises little identifiable change in social or economic policies. Under Bertie Ahern, the victorious party is “greener” than its old rival, Fine Gael, though Northern Ireland played little obvious part in the contest. Of the principal Irish parties, Fianna Fail seems least able to connect the country’s European-derived prosperity with its relationship with both the United Kingdom and that province of the United Kingdom where sovereignty is disputed and terrorist insurgency still so bloodily active. It is true that in the new electoral arithmetic the fellow-travellers of united Ireland extremism have to be factored in. The voters of Cavan and Monaghan showed their fellow-country people in a poor light by electing a Sinn Féin representative, not just because Sinn Féin supports the murder of Irish people, but because it is a proto-fascist party. But does this mean Dublin now threatens to turn a little aside from Europe in favour of a wallow in atavistic nationalism?

That would itself be an extreme judgement. Of course Ireland is not the



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only European country where nationalism shapes political choice – look at Italy, or Spain, let alone the appeal of the far right in France. But there is no irredentist problem in Continental Europe to compare with the problem of the Irish land border. The Republic’s politics are “unmodern” in that the mainstream parties are still rooted in their 1920s identities; only the minority parties such as the Progressive Democrats carry genes recognisably derived from the European left-right continuum.

It would be wrong to interpret the result as much of a swing towards

republicanism – while noting the habit of Irish voters who otherwise despise the terrorists to wink at politicians who like to don the green and censure those (such as John Bruton) who attempt to reach out to their Irish fellow-country people in the Unionist community in the North. Post-election rhetoric from Mr Ahern has been ill-advised. To try and make of the British and Irish governments respective “protectors” of the Unionist and Nationalist communities in Northern Ireland is simple-minded – except as an echo of the sort of language which played well in 1923.

Ireland is a small country with a lim-

ited supply of political talent. But even when personnel are thin on the ground, the proposal to resurrect the former Fianna Fail prime minister, Albert Reynolds, as an ambassador rings oddly. His rehabilitation after a spectacular resignation is hardly complete; and even if it were, he remains a party factotum whose appeal to the Unionists must be limited, at the least.

And yet, the broad conditions look more favourable for a push to engage the terrorists/Sinn Féin in talks than they have looked for some time. Here is a new government in Dublin, a newish government in London, with a Secretary of State still enjoying much goodwill. Sinn Féin’s poll victories may help persuade republican leaders of the virtues of democratic politics; the Americans are still around as brokers and instigators of peace. Hence Mr Ahern’s enthusiasm for contacts with Sinn Féin, which antedate the election campaign, and will continue until he becomes prime minister; hence also his body language designed to show Sinn Féin he “cares” by distancing himself from John Bruton’s overtures to the Unionists.

There is, in truth, a lot of common ground between the Blair government and Dublin over pre-conditions for talks. No one is insisting on de-commissioning; there have been goodwill gestures aplenty from the London end. What has the response been? Mo

Mowlam has already learnt how uncomfortable it is to permit talks with Sinn Féin one week and receive reports on the IRA’s latest bomb outrage the next. Mr Ahern is welcome to try his hand but no government, north or south, can negotiate with a movement that claims the right to leave bombs even as its representatives enter official committee rooms.

Drunk? Maybe, but not in charge

By their drinks parties we shall know them. The Tory Party is in such a state at the moment that it would not be altogether surprising if some backbench MPs did actually make their minds up on the basis of the plonk offered them at the respective candidates’ bushes. Peter Lilley may scarcely fizz, but full marks for his extra brut. Michael Howard might have a touch of the night about him (GAnn Widdecombe) but his Reilly shines. As for Ken Clarke, yes, he did offer proletarian beer at his do, but only a man with his pulse on the Midlands would rustle up Home Ales all the way from Nottingham. Of course in this post-Nolan, post-Tatton age, Tory MPs are not to be hooted. But, as the old adage goes, a palate tickled is a vote nearly won.

LETTERS TO THE EDITOR

Why Britain needs the Eurofighter

Sir: Polly Toynbee’s article “What defence toys really cost us” (9 June) suggested that the Government was buying Eurofighter as a job-creation scheme and that there was no longer a need for a fighter aircraft. Nothing could be further from the truth.

The British government is buying Eurofighter because, in an uncertain world where we face a variety of risks to British interests and where highly sophisticated combat aircraft are widely available, we need the flexible multi-role capability that Eurofighter will provide. Eurofighter will be able to contribute both to achieving air superiority – crucial to the protection of our forces from air attack – and to ground-attack operations.

Contrary to what Polly Toynbee says, recent operations in both the Gulf and Bosnia have underlined the need for both these capabilities. Indeed, the avoidance of aerial combat in the Gulf War – far from assured at the outset – demonstrated just how successful coalition forces were in establishing air superiority. The extensive operational analysis that has been conducted has conclusively demonstrated that the multi-role capability of Eurofighter is by far the most cost-effective solution to our needs.

It is, of course, true that Eurofighter will sustain many thousands of jobs and is crucial to the future of the UK and European aerospace industry. It is, however, being bought in order to provide the Royal Air Force with the equipment it needs to carry out the operational tasks required of it.

GEORGE ROBERTSON
Secretary of State
Ministry of Defence
London SW1

Reforming macho police culture

Sir: Your article describing the experiences of female police officers (“Safe in the long arms of the law?”, 5 June) makes horrific reading, but it seems that what Patricia Wynn Davies is reporting is something more than simple sexist behaviour by some male officers.

In 38 years of work, beginning as a shipboard apprentice and ending up as president of the US division of a high-technology company, I have worked with many women at all levels and I have never seen behaviour towards women like that described in this article.

These same officers who subject their female colleagues to such behaviour are the very same people who are authorised to stop our young men in the street for “routine questioning”, to demand production of driving documents after “routine stops” on the highway in the dark and to report members of the public for prosecution.

There are many innocent members of the public who have very bad experience of the police and their “one for all and all for one” culture of covering up deviant behaviour. Ethnic minority and female officers have done what the rest of us cannot. That is, expose the fact that it is time for a root-and-branch overhaul of the organisation, management and oversight of our police forces, including the removal of the



responsibility of investigating themselves.

MICHAEL CASSIDY
Newcastle upon Tyne

Sir: It is apparent from your disturbing article that a police force which is guilty of so many acts of discrimination and sexual harassment against female officers is in need of major reorganisation. It is essential that the police should set high standards of behaviour, both to maintain morale in the force and to win the respect of the public, especially as the last government greatly extended police powers in a way which seriously threatens our basic liberties.

Although it is essential if liberty is to be preserved in this country that a proper constitution and a Bill of Rights should be introduced, we clearly require, on the grounds of efficiency, a national police force to cope with serious crime and terrorism and to ensure high ethical and educational standards.

A nationally organised police force would and should be responsible to a minister. Local quangos cannot exercise sufficient control over the “guardians of the law” who are not in practice accountable to any elected body or open to independent inquiry and who, it seems, are deeply infected by pseudo-macho yobbliness.

DAVID J POWELL
Whitstable, Kent

Sir: You will be aware that two industrial tribunal cases involving allegations of sexual harassment within the West Yorkshire Police have attracted much speculation and adverse comment. To redress the balance somewhat, I quote from

the judgment in the case involving PC Brennan and PC Briddle.

We are satisfied that from 1989 onwards the West Yorkshire Police has consistently followed a policy of presentation, education and training with regard to matters of discrimination both racial and sexual ... West Yorkshire Police went to considerable lengths to ensure that any member of the force who might feel that he or she was subject to discrimination, whether racial or sexual, had an avenue of complaint. Further it was made abundantly clear to officers that any such complaints would be treated most seriously.

I would also take the opportunity to commend the courage shown by colleagues of the officers involved in this case who have testified in very trying and testing times.

GREG WILKINSON,
Assistant Chief Constable, Personnel
West Yorkshire Police
Wakefield

Sir: Sexual victimisation is about power and numbers. Male teachers are not free from sadism, prejudice and testosterone but in 34 years teaching in mixed schools I was never aware of a complaint of victimisation by female staff. Why? Because women formed a powerful pressure group in every staff room. They often outnumbered the men; no head could afford to ignore their power and numbers.

Both the police and the services made the mistake of introducing women into units in small numbers, instead of first flooding selected units with them.

KEN CLARK
Bedford

Biotech patents hamper research

Sir: Your article “The mouse that roared” (4 June) exposes the tip of an iceberg that is floating ominously into European waters, but one that we still have an opportunity to redirect.

The umbilical cord patent granted to Biocyte is one example of a growing trend by companies and universities now trying to patent cells, genetic sequences, plants, animals and human body parts which will have far-reaching implications.

At least the patent granted to Biocyte Corporation can be challenged. However, if the directive on biotechnological inventions which is currently being considered by the European Parliament has its way, then it will be much more difficult to challenge this sort of ruling.

Monsanto has patented a soybean seed that could in effect prevent other companies or NGOs working on soybean seeds.

Du Pont has patented the nuclease molecule – an important breakthrough in cancer treatment in such a way that all similar work on any mammals or rodents will be barred.

Myriad Corporation have applied for a European patent on a linked breast and ovarian cancer susceptibility gene. This, if granted, would gain them control over all possible diagnostic and therapeutic applications of this gene. All cures for breast cancer would either have

to be licensed by Myriad or royalties made payable to them.

The patent holder would have the power, for 20 years, to decide whether to allow further research and development, licensing the results. Or it would be able to deny the opportunity for any further work.

This patenting of the essence of life itself must not be allowed to pass unchallenged. The European Commission’s proposals should be challenged by writing to MEPs.

SAM CLARKE
Oxford

Sir: Neither of the letters you printed (6 June) in response to “The mouse that roared” raised the matter of consent – particularly pertinent given the case of Diane Blood and her husband’s sperm.

I had a baby last year and I am appalled to learn that tissue taken from my body was used to inflict suffering on laboratory animals without anyone considering that I might like to have been consulted first. I am fully in favour of medical research on human tissue, but not if it involves the suffering of other

creatures.

Even if umbilical material is argued to belong to the baby, who cannot make a decision, the issues raised are essentially the same as in the question of sperm removal from a dead man whose prior consent has not been obtained. At the very least I should surely have been consulted as the child’s legal guardian.

JUDITH FOIDL
Tadworth, Surrey

Keep your tonsils if you can

Sir: Your article about tonsillectomy (“When pain is hard to swallow”, 3 June) might benefit from an overview of the research evidence.

For an operation that has been carried out for over 2,500 years there is pitifully little decent evidence that it is effective. There have been no studies which show that tonsillectomy reduces throat infection in children over 15 or in adults. Your article correctly identifies the one reasonably well-designed study which showed that children who had their tonsils out had fewer throat infections in the next two years.

However, on average, the children had two fewer “moderate or severe” throat infections in the next two years. They did not take less time off school and children on average take one or two weeks off to recover from the operation. To even consider tonsillectomy in this trial, children had to have suffered from seven fairly severe throat infections in one year, or five a year for two successive years or three a year for three successive years. So if you had had this many throat infections it might be worth having your tonsils out – if you can afford the time off school and you think that the operation is not as bad as two throat infections.

Given the lack of evidence to support the enthusiasm with which ENT surgeons advocate this operation, it is difficult to agree with the suggestion that “the pendulum has swung too far”. TOM MARSHALL
Specialist Registrar in Public Health Medicine
Northamptonshire Health Authority

Tories: a party or a think-tank?

Sir: There is a choice for the Conservative Party. Do they want a reasonable chance of winning the next election or do they want no chance?

Michael Howard, Peter Lilley and John Redwood never appeal to enough of the electorate, whilst William Hague is too like Major and too inexperienced. Ken Clarke, however, is widely admired in the UK both for his natural charm and for his time as Chancellor. He would be a refreshing and serious combatant to the flashy Tony Blair. Do the Conservatives care about power or are they content to let the party dissolve into right-wing think-tanks?

TOM KENYON-SLANEY
London W6

Not hereditary

Sir: Your obituary of Ronnie Lane (6 June) said he was expecting to die from multiple sclerosis, as his mother had also suffered from MS. The MS Society and many MS experts stress that there is no proof that MS is hereditary. I hope this will comfort other descendants of MS sufferers.

R.S.JAMES
Lossiemouth, Moray

At last, the cure

Sir: I have been infested with “earworms” (Letters, 3, 5, 6, 7 June) for years but recently I have found a cure. A particularly bad infestation, such as Barry Manilow’s “Copacabana” can be eradicated by singing in your head something else which is simple, say from your childhood. Mine is “I Could Have Danced All Night”, but anything you know very well will do. Having cured the symptoms it should be easy to stop taking the medicine. ROBERT G BREW
Worthing, West Sussex

analysis

Albert Reynolds was a key figure in the 1994 IRA ceasefire. Now that his Fianna Fail party is set to return to power, we assess (left) whether as 'peace envoy' he can bring about a peace process mark two, and (right) the role of Mary Robinson in a modernised Ireland

by David McKittrick

The return to power in Dublin of Fianna Fail makes a renewed IRA ceasefire more likely, certainly in theory and probably in practice. The word "probably" is there because the inner workings of the IRA and Sinn Fein remain as mysterious as ever.

No one really knows whether the republicans are ready to repeat the 1994 ceasefire exercise: the generality of their supporters certainly want and indeed expect it, but whether the IRA's military bosses are ready to give the word is more problematic. The expected elevation of the Fianna Fail leader Bertie Ahern to the position of Taoiseach (prime minister) will certainly strengthen the case of those republicans who argue for peace.

The southern Irish view of the northern Ireland peace process is a paradoxical one. During the election campaign the issue featured hardly at all; when it comes to the north, the strongest ambition of most southerners, on the surface at least, is to hear no more of it.

Yet the southern electorate is very canny and highly politicised, voters there keeping a weather eye on what is going on in the ever-troubled north. Thus, when an opinion poll asked which of the parties would best handle the issue, 43 per cent said Fianna Fail, as against only 22 per cent who opted for John Bruton's Fine Gael.

While there is no evidence that this judgement swung any appreciable number of votes, it may well have informed the views of those choosing between a Bruton-led or an Ahern-led administration. It certainly seems to suggest widespread support for the view that the last Fianna Fail-led government, under Albert Reynolds, gets credit for helping to start the peace process. John Bruton, by contrast, scored low on the issue.

Although the last ceasefire ended violently, with huge bombs at Canary Wharf and Manchester, the manifestos and campaign statements of all the major parties illustrated the almost universal assumption that the way ahead is through a peace process mark two.

The election of a Sinn Fein TD to the Dail, the first for many years and the first who will ever take his seat, is not



Hands across the divide: Gerry Adams and Albert Reynolds, at talks held in 1994

viewed as a sign of any new militancy or appetite for conflict. Instead, this rise in the Sinn Fein vote can be taken as a sign of increasing public approval of the republican refrain that they want peace. In other words, by the same process which recently increased Sinn Fein's vote in the north, some voters are becoming less scared of Sinn Fein and more trusting in their bona fides in the south.

The voters and the parties want a speedy and genuine IRA ceasefire, followed by Sinn Fein entry into talks, followed by the hammering out of a new settlement. That settlement must have something for everyone, since if it does not, violence will erupt again at a later date.

While this was John Bruton's approach as Taoiseach, it seems that he lost marks on several points. The peace process

involved the republican movement, the SDLP and Fianna Fail but not Fine Gael; as such Bruton had no proprietary feelings towards it, and a fair number of instinctive caveats.

To this lack of empathy was added an alleged inconsistency of approach. Bruton changed his mind at a number of key points, and in doing so alleviated the pressure on London to keep the process moving. Bob

northern and southern nationalists had become accustomed to a pattern of John Hume and Albert Reynolds maintaining constant pressure on John Major. Under Bruton this chain was broken.

Bruton's style was to seek a consensus with Major and with David Trimble's Ulster Unionists. Here was the crucial difference: Reynolds threw everything into achieving and maintaining an IRA ceasefire,

figuring that agreement with Unionists would have to wait, and would in any event become easier to achieve once the IRA's guns were silenced.

But Bruton's attempts to reach out to Unionist parties dissipated the sharp focus of Dublin's policy and, in part because of this, the ceasefire collapsed. Furthermore, his gestures towards Unionists were not reciprocated. Serious

clashes during the marches at Drumcree and other events illustrated that Unionism was in any case moving to the right rather than thinking in terms of reconciliation.

Bruton's vision of himself as Taoiseach of everyone in Ireland,

nationalist and

Unionist alike, was rebuffed by Unionists, most of whom do not consider themselves Irish at

Dail (Parliament), as a sort of peace envoy with a role in rebuilding a peace process. This would probably be welcomed by republicans, who never worked well with Bruton but remember Reynolds as a pragmatist who was prepared to do business with them.

But another ceasefire may not come easily. Even with Reynolds fully on board the process last time around, the 1994 ceasefire took years to bring about. It was preceded by sieges and outbreaks of violence which on several occasions brought Reynolds and others involved close to despair.

It could be the same again. When republicans asked

for direct contacts with the British government, Tony Blair agreed, and Martin McGuinness twice met officials. The republican conditions for a new ceasefire, which include automatic entry into negotiations and the dropping of any idea of prior decommissioning of weapons, are sensitive issues, yet the difficulties they pose are not insuperable.

But the two meetings were

followed by two IRA bombing attempts which unexpectedly ended an undclared seven-week ceasefire. No one was killed, but the intent was clearly murderous, and the attacks

have badly dented the hope that the path to a new ceasefire could be relatively smooth. The lesson of 1994 is that the persistence of violent acts does not necessarily mean that a ceasefire is not in the offing; but it does mean that people may die in the meantime.

The republicans can be in no doubt, however, that the southern consensus in favour of inclusive negotiations arises from the belief that Sinn Fein wants to enter politics, and does not spring from any readiness to embrace a new toleration of violence. The vast majority of nationalists, both north and south, want a new peace process, not a new war process.

But whatever is going on

within republicanism, the outcome of the southern election is another pointer in the direction of a ceasefire. The IRA and Sinn Fein will not move until they are certain that any cessation will lead to negotiations, but most of the jigsaw is now in place.

Fianna Fail is coming back;

the Americans remain well disposed; Labour's big majority means the Unionists have lost their armlock on London;

Sinn Fein is thriving, on a peace ticket; and a strong new British government is in place. Even on their own terms, republicans are fast running out of reasons for not laying down their guns.

The writer is 'The Independent' Ireland correspondent.

Freed from the straitjacket of Irish nationalism

by Rob Brown

As the rival political parties in Dublin haggled over power in the Dail, the Irish President, Mary Robinson, took off to another Celtic land to project a more edifying image of the New Ireland which she has so attractively and effectively symbolised during her seven years as head of state.

The stateless nation of Scotland might seem a strange place for her to spend three of her final days in office, but then Mrs Robinson's marvellous achievement on the diplomatic stage has been to escape from the straitjacket of nation statehood and to inspire her compatriots to think of Ireland as an entity which stretches far beyond Erin's Isle.

As the political theorist Benedict Anderson has convincingly argued, nations are "imagined communities". The Irish community, which Mrs Robinson has imaginatively represented since 1990, is not simply the 3.5 million souls living in the Republic, but the 80 million or so members of the global Irish diaspora, be they in Boston, Kilburn or Glasgow, where she will round off her Scottish sortie tomorrow.

Mrs Robinson arrived in Scotland on Sunday, presiding at a special service to commemorate the 1400th anniversary of the Death of St Columba, who sailed to the island of Iona to establish a monastic base and lay down the roots of the Christian church in Scotland. She made her own pilgrimage in a helicopter rather than a coracle, telling fellow worshippers that St Columba "reminds us of how old the links are between Ireland and Scotland".

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um in Glasgow's *Herald* newspaper, Mr Wilson used to warn his fellow Scots that if they went down the separatist road, their country would end up an economic basket case like Eire. He has ceased to peddle that argument in recent times as Ireland's "Celtic Tiger" economy has roared ahead of the rest of Europe.

Ireland is now cited as an inspiring example of independence in Europe by the Scottish National Party, whose leader Alex Salmond never misses an opportunity these days to rhapsodise about the Republic. This represents a major shift for the SNP, which used to point to the prosperous and socially cohesive Scandinavian countries as model mini-states which Scotland should seek to emulate.

Mr Salmond wrote recently



Robinson: a world view
Maxwell Picture Agency

in the *Irish Times*: "In Scotland we can only envy Ireland's access to Europe's top table, just as we can only envy Ireland's international visibility in tourism and investment – not to mention the self-respect which go with it."

Ireland's constitutional status calmly contributes to its current national vibrancy. Mrs Robinson acknowledged this on Sunday, telling the Iona worshippers: "In Ireland at the moment it is a very creative time, partly I think because we feel enhanced and reinforced by our membership of the EU."

But Mrs Robinson would never publicly urge the Scots to opt for independence in Europe like the Irish. Don't ever expect her to declare in De Gaulian fashion: "Vive l'Écosse libre!" not just because she doesn't want to provoke a diplomatic storm between Dublin and London, but because the President of Ireland is, essentially, a post-nationalist.

That enviable outlook is simply not available to stateless Scotland, which slept through the springtime of nations to share in the fruits of the British Empire and is struggling to find a post-imperial role.

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Take a pin, and winkle out the meaning

"Picture, if you can, a winkle ...
(Funny start!) peculiar quote.
Picture, if you can, a winkle.
Marching bravely through the night.
Friendless, homeless, friendless, friendless,
and homeless too.
Picture, if you can, a winkle.
Merry Christmas! Same to you."

The above bit of verse has been running through my mind for the last few days, and I didn't see why I should be the only one to suffer, so I am bringing it to you today.

It may, as far as I know, be the only poem about winkles in English. Not about shellfish: we already have "The Walrus and the Carpenter", about oysters.

Care for some more? The next bit is not about winkles, or indeed, about anything.

"Can you ... ? No, perhaps you can't."
The question's not fair one, too.

You don't know the circumstances.
So of course how could you



Miles Franklin

The days themselves don't know as well."

This wonderful nonsense is well in the tradition of Lewis Carroll and Edward Lear, but, of course, as it is on an Arthur Askey record, and not written by a well-known writer, you will not find it in any anthology. It is, in fact, written by Kenneth Blain. I once asked my old friend Brian Blain, who works for the Musician's Union and knows everything about musicians, what he could tell me about Kenneth Blain, and he said: "Nothing."

Let's have a bit more.
"Picture, if you possibly can, a winkle ... That last line seems wrong to me.

It should be: Picture, if you can, a winkle.

That's much better. Pardon me!

Watch the little children freezing!

Keep on watching them, I say.

If you don't, the little brats Will pinch your coal and run away."

Indeed, when he wrote a col-

She is dying of croup and sunstroke.
You don't care? No, nor do I.

There's a candle on the table,

Slowly burning down, you see.

Look, it's out! But where's the flame gone?

What's the point of asking me?

Picture, if you can, a winkle.

In December's biting breeze,

Singing carols at the grocer's.

Lonely, oh dear dear, how lonely,

Tightly caught in hunger's net.

Why so lonely, little winkle.

Clarke makes most sense, but the Tories aren't being sensible

Suddenly, Ken Clarke has become a man to beat. Suddenly, from being a rank outsider he is now Ladbrooke's odds on favourite at 5-2 to win the Tory leadership contest. Suddenly, the question about how well he will do in today's first ballot is not whether he will do well, but whether he is ahead of his rivals. Suddenly, it looks as if the bedraggled, demoralised constituency officers out in the country think Clarke offers the best chance of recovering from their biggest disaster in nearly a century.

The problem, as Clarke and his supporters know best, is that none of this, least of all Ladbrooke's odds, is a reliable guide to the final outcome. It is a contest in which the electorate routinely lie about their voting intentions (and sometimes about their votes after they have cast them) to the candidates, to their party constituency chairmen, and to each other. The party at large has no formal say in the process. Indeed, it's a peculiar feature of this contest that so much attention is being lavished on the vexed question of who will come third in today's ballot. One assumption is that Clarke will come first, William Hague second, and either Michael Howard or Peter Lilley third. Discount speculation that either Lilley or Howard would carry on if they came fourth. The most probable of several plausible scenarios is that whoever comes fourth will drop out and back the man in third place. And that the second ballot next Tuesday will be a contest between Clarke, Hague and Howard or Lilley. All sorts of permutations then follow. And not all of these ensure that Clarke, bookmakers' favourite or not, will even make the final ballot. Hague v Howard, Hague v Lilley are contests which conspicuously fail to offer a remotely credible answer to the question of what went wrong on 1 May. But they could still happen.

Which is why it's still worth repeating why Clarke not only can but should win. Leave aside for a moment that the opinion polls put Ken Clarke far ahead of his rivals among the electorate. Or that he is one of the few ministers from the previous government with a record which helped rather hindered its electoral fortunes. Or that he could be as much of a danger outside a shadow cabinet as he would be an asset leading it. Or that during John Major's agonies after Black Wednesday just before the Tories started to self-destruct in earnest over Europe he was widely seen as the only credible alternative Prime Minister. Or that because of his freedom from ideological fundamentalism he is the only contender capable of landing blows against Labour - for example when the going gets rough on NHS spending. (Try and imagine any of that from Peter Lilley or Michael Howard.) Or that the Tory party could yet be sleepwalking towards exactly the same mistake Labour made when it decided to ignore the wider electorate, punished Denis Healey for angering large sections



Donald Macintyre

It is a contest in which the electorate routinely lie about their voting intentions

of the party in the run-up to an election defeat, and chose Michael Foot. Let's consider the supposed reasons for not picking Clarke instead.

In fact there is only one: Europe. It isn't as if Clarke's record as a Cabinet minister throughout the Thatcher/Major years is anything but a qualification for the job. Consider for a moment this job reference - from someone who certainly thought of him as a possible future leader in the 1980s: "He was an extremely effective Health minister, tough in dealing with vested interests and trade unions, direct and persuasive in his exposition of government policy... In the face of the campaign of misinformation, Ken Clarke was the best possible advocate we could have." That was written by Margaret Thatcher when she had every reason to be bitter that Clarke had been prominent among ministers warning her she couldn't win in 1990.

The reason, of course, that the author of that encomium will do what she can to rally the anti-Clarke forces later this week is that she doesn't trust him on Europe. And that is surely to miss how far the argument has moved on. For the forces ranged against Clarke in the leadership contest are missing something important.

Michael Howard, for all his

image problems the most driven proponent before the election that whoever comes fourth will drop out and back the man in third place. And that the second ballot next Tuesday will be a contest between Clarke, Hague and Howard or Lilley. All sorts of permutations then follow. And not all of these ensure that Clarke, bookmakers' favourite or not, will even make the final ballot. Hague v Howard, Hague v Lilley are contests which conspicuously fail to offer a remotely credible answer to the question of what went wrong on 1 May. But they could still happen.

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Let the people speak

The Prime Minister's public question sessions must be spin-free

education, occupation, income etc.

There may be a temptation to invite only people having a direct experience of the chosen subject. That would be a distortion. The formula should be to bring together an audience that is representative of the country as a whole plus a few experts. In addition a neutral chairman or chairwoman should make sure that the Prime

eral public would ask these are considered naive or boring because the answer is already known.

Instead they are much more interested to discover, to take a recent example, whether the Cabinet Secretary did in fact successfully veto Mr Blair's plans to appoint the person who was his chief of staff in opposition as his private secretary in Downing Street - somebody who happens to be the brother of a former aide to Lady Thatcher. Big deal!

I can well believe the Downing Street briefing carried in the weekend newspapers which revealed that Tony feels the toughest questions got in the election weren't from MPs or journalists, but from ordinary people with real concerns about things like health, education and crime. During Lady Thatcher's last election as Prime Minister, the worst discomfiture she suffered came from an exchange with a radio listener during a phone-in on the subject of the sinking of the *Belgrano* during the Falklands war.

The Tory reaction to Mr Blair's initiative is incomprehension. The Conservatives can only conceive the exercise of democracy as taking place in the House of Commons where the party whips control MPs' votes. Thus Sir Archibald Hamilton, chairman of the 1922 committee of Conservative MPs comments with heavy sarcasm that "it seems to have escaped Mr Blair's notice that in the British democracy he is supposed to be held to account by elected MPs... it is extraordinary behaviour when you consider their huge majority... why is Labour so worried about facing Parliament?"

I see the matter differently. Nothing in the notion of regular question and answer sessions with the public detracts one jot from the power of Parliament. Moreover, the more the Government connects with ordinary people, the better it will govern. Mr Blair will have much to learn from his audience's questions and their reactions to his replies. These new monthly forums have great potential. Nothing should be barred. Let there shortly be sessions on Northern Ireland and on Europe. Best of all would be if the Prime Minister adopted a tone which was more thinking aloud than pat answers and that the audience encouraged this.

Political journalists, on the other hand, are more interested in the political process than in policy. Had they been interested in the subject-matter of government, then they would have become specialist writers and concentrated on health, or education or economics or defence or whatever. On the contrary, their speciality is politics itself. At press conferences, political journalists rarely put questions that the gen-

eral audience is selected and what sort of people it comprises. There must not be any suspicion that somehow the Prime Minister has arranged an easy interrogation. During 90 minutes this group of people will have to act as a proxy for the entire nation in putting its questions; it thus has to be representative by gender, age, race,



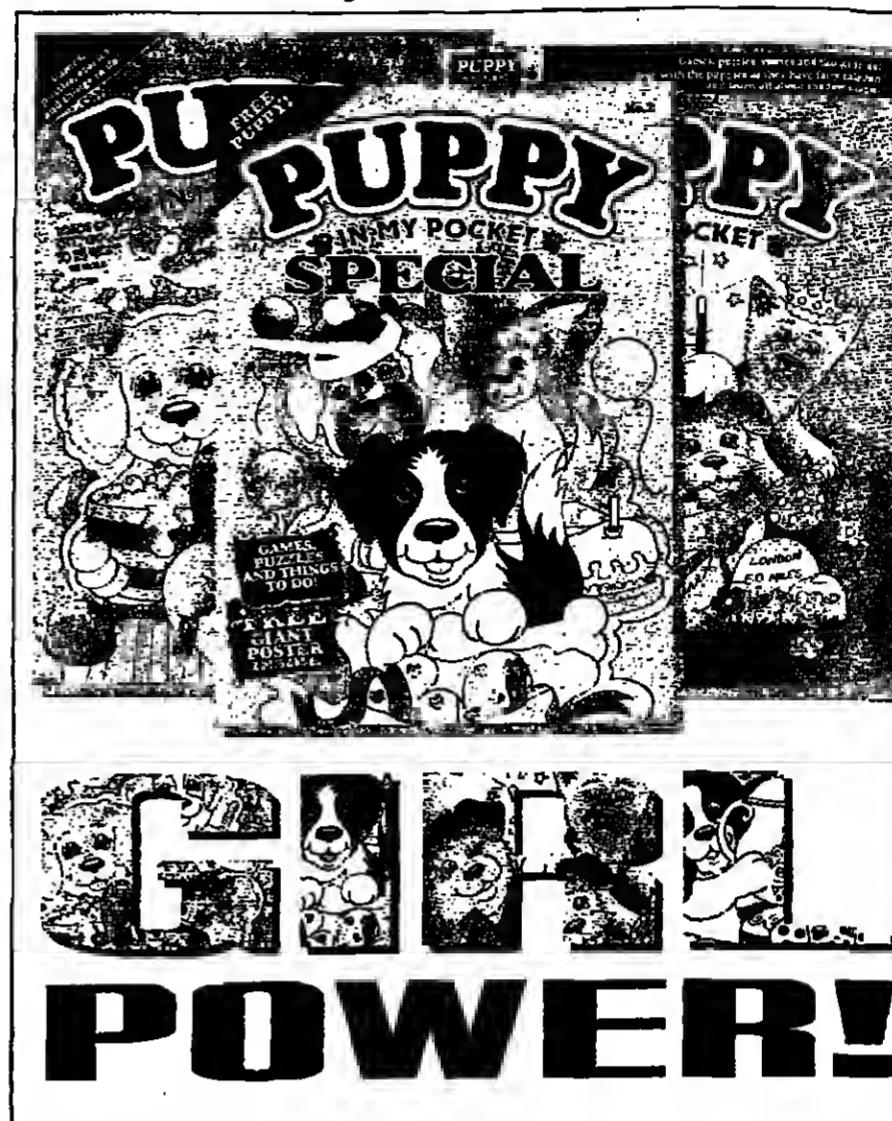
Andreas Whittam Smith

Minister does not stray into party point scoring and should select the questioners. Undoubtedly ordinary people do ask politicians better questions, when they get the chance, than do journalists at a press conference or members of Parliament at Question Time. Questions from the public are generally direct and drawn from personal knowledge (in the case of crime, say, living in a rough part of town). And such questions tend to draw considered replies; their very artlessness calls for a straightforward response.

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Puppy power for the Nineties

by Ruth Padel



Ponies and Puppies wrote their own magazines, with the same formula: five females, and every little girl had a favourite

My daughter knows a few people who write books. Does she believe this is written by girls who are managed, photographed and promoted by men?

"I know they wrote some of it. They say, 'Anything we do for you is always totally honest.'"

"Did Gemma and Fifi (oh heartless mum) 'write Puppy in My Pocket magazine'?"

"That's different, these girls are real. They're not just models who sing!"

"That's exactly what..."

"No, I mean they're not ventriloquists' dummies. They

exist!" I don't mind virtual doggie shit while I deal with the real thing. I know she knows the difference. But the ingredients of "Girl Power" promoted by the men who run Spice are female independence, solidarity and creativity. What's "real" here? Female solidarity? The Girls "just laughed" when their male radio promoter asked wouldn't they prefer a woman to promote them. Spice was created by men and is run by men: the independence seems pretty virtual. What about creativity - and not only on their book and magazine?

The book goes through their lyrics blow by blow. "We wrote this when..." "Writing for other artists is very important. It's the one thing we want to do." (Really?) "When we write a song we have a huge pad and just write down ideas. We end up with a big page of phrases and words and put them all together".

That word "just" crops up a lot, giving the authentic Puppyville flavour of artless you-can-do-it-too-ery. It gets applied to the creative process without mention of music ("I've

been really really made by men."

Male image-makers create the look of creativity in pop music (no one bothers with writers or classical singers)

partly because, from kids upwards, it's such a big selling point. "Creative" sells babies' plastic toys by the ton. Maybe it's better for girls to believe in a creativity and girl power that's actually plastic, rather than biting into the overt female pushed-aroundness of a lot of earlier girl pop. But older brothers sneer at virtual puppies. Mightn't they sneer worse at virtual girl power or creativity, if the myths explode?

I like the Spice Girls. But I don't like men selling my daughter a female image that's been really really made by men.

Welcome to the Naff and Fikit

I could not claim to have been a regular at The Jolly Milkman in Mirlake but it was enough of a landmark in the psychological landscape for me to blanch instantly when they changed its name to The Pickled Newt. Likewise when I found that an old Fleet Street haunt, The King and Keys, next door to the former Daily Telegraph building, had become a Scruffy Murphy's. And on the subject of the renaissance of The Ferret and Trouserleg in Surtion it is doubtless best to remain quiet.

The Lib Dem MP Nigel Jones has no such compunction. He is to drag the House of Commons Beer Club, of which he is vice-chairman, into a concern with the tendency of breweries to change the names of their pubs, some of them extremely ancient - inn signs go back to Roman times and a goodly number of medieval names are extant. In their place we are plagued with Slug and Lettuce and Kitty O'Sheas.

It feels not just as if someone is trying to rewrite our personal history but as though they are pulling threads from the tapestry of our national history.

Britain's 90,000 pub signs are an index to its past. The White Hart stands as a residual allegiance to Richard II, whose emblem it was. The Red Lion speaks of a loyalty to John of Gaunt. The Bear and Ragged Staff sides, more safely, with the King Maker, Warwick.

They tell us of sport - The Dog and Duck reminds us of Charles II's favoured pastime of throwing spaniels into the pond to hunt the mallard. They chronicle social change - The Crown and Anchor was the badge of the Royal Navy's petty officers who retired from the

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BUSINESS & CITY EDITOR: JEREMY WARNER

Member of Bank's monetary panel criticises plans for super-SIB

Tom Stevenson
Financial Editor

The proposed creation of a financial mega-regulator came under fire yesterday as leading academics, including a member of the Bank of England's monetary policy committee, warned of the dangers of the Treasury's plans for a super-SIB. Speaking to a City audience, Professor Charles Goodhart headed a high-level rejection of a single, all-embracing agency to oversee City supervision, although he admitted there was little prospect of the Government acting on the reservations.

His criticisms came only days after the first meeting of the monetary policy committee at which it was decided to raise interest rates by a quarter point to 6.5 per cent and will come as an embarrassment to Gordon Brown, the Chancellor, who appointed him to the Bank's panel.

Professor Goodhart said he doubted whether a single regulator would be able to effectively oversee the security of the financial system as a whole, the prudential supervision required to prevent individual institutions going bust and the conduct of businesses that would protect individual investors.

Michael Taylor, another speaker at yesterday's conference on financial regulation at the London School of Economics, added there was a danger of the regulatory process becoming a political football. He criticised the Government for announcing the proposed changes without necessary consultation.

He added that putting all regulation under one roof increased the danger of the reputation of the whole body, or the person heading it, being tarnished by even a small number of high-profile failures.

The hostility towards the Chancellor's proposals was in marked con-

trast to the almost unanimous welcome given to the planned shake-up when it was announced last month. It is the first considered response to suggest the new Government's whirlwind changes might have been made too hastily.

The criticisms of the Government's proposals formed part of a submission to last week's central bank governors meeting at the Bank of England. They were presented yesterday to a group of bankers, regulators and government officials.

Presenting the group's reservations, David Llewellyn, Professor of Money and Banking at Loughbor-

ough University, dismissed the recent claim in favour of a single regulator, that the blurring of distinctions between financial institutions should be mirrored by financial supervisors. "There remain, and will remain for the foreseeable future, major differences between banks, securities firms and insurance companies in the nature of their business and the type of contracts they issue."

He also disagreed with claims that putting together the disparate self-regulatory organisations would necessarily create economies of scale. He quipped: "Speaking as a former Treasury official, I can say that

most measures to cut costs actually increase them." He believed a single regulator might also fail to have a clear focus on the objectives and rationale of regulation and would not make necessary distinctions between different types of institution. Other concerns included the excessive power invested in a single regulator and its tendency to become bureaucratic.

Finally, the group concluded there was a danger of creating an impression in the public mind that the dangers of financial scandals or disasters had disappeared.

Professor Goodhart and his col-

leagues said a better structure than the proposed single regulator would be four separate agencies. These would act as a systemic regulator, which would control all deposit-taking organisations such as banks and building societies, a prudential supervisor of all non-bank institutions where continued solvency was an issue, and two conduct of business watchdogs for the retail and wholesale sectors. Given that the Government appeared fixed on creating a single regulator, he said super-SIB should be created with these distinct divisions.

Comment, page 21

Output rises despite squeeze on profits

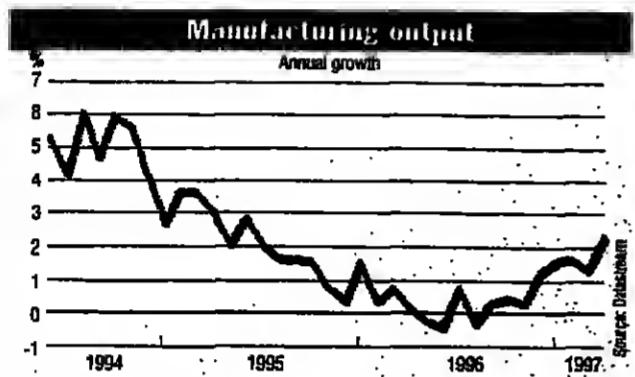
Diane Coyle
Economics Editor

The strong pound has had surprisingly little effect on manufacturing production but is squeezing profit margins, new figures suggested yesterday. The growth in output returned to its highest rate for more than a year and a half in April, while inflation at the factory gate remained subdued.

Alongside the surprise jump in output, a separate survey indicated that retail sales growth picked up in May. But the British Retail Consortium (BRC) insisted there was no sign of a run-away boom on the high street.

In the light of this fresh evidence of the economy's robust health, ahead of the Chancellor's Mansion House speech on Thursday, experts were divided in their prescriptions. Some City analysts saw yesterday's figures as a further vindication of the Bank of England's decision to raise interest rates last week.

Michael Dicks, UK economist at Lehman Brothers, said: "All parts of the economy seem to be growing at an above-nor-



mal pace." To head off future inflation the Bank of England would have to raise rates even further unless next month's Budget increased the tax burden, he said.

The BRC yesterday cautioned against a tough Budget. "Retailers accept the need for recent modest changes in interest rates but see no case for tax rises," said Andrew Higginson, chairman of its economics committee.

He said there was little sign yet of a big boost to the high street from building society

windfalls, except in sales of computers.

But others urged tax increases rather than further rises in interest rates, reckoning the balance of the economy was tilted too heavily against industry. "Growth in manufacturing is decent but there is no room for complacency just because domestic demand is masking the weakness in exports," said Simon Briscoe at Nudco Europe.

Manufacturing output rose 0.6 per cent in April, taking the year-on-year growth to 2.3 per cent. This was the strongest pace

since July 1995, and came as a surprise following the virtually flat first-quarter figures.

There was little sign that export-dominated industries were suffering more than the rest. In the latest three months, production of electrical equipment was up 1.2 per cent and transport equipment was up 2.9 per cent during April.

The broader indicator, total industrial output, jumped by 1.2 per cent during the month thanks also to a surge in oil and gas output and electricity and water supply. Both components are very erratic.

At the same time, prices manufacturers charged at the factory gate rose 0.1 per cent during April, taking their annual rate of increase up slightly to 1 per cent. Although "core" output price inflation, excluding volatile food, tobacco and energy prices, increased a fraction it remained subdued at 0.6 per cent.

The prices paid for materials jumped 0.6 per cent during the month, a bigger-than-expected rise due mainly to higher oil prices and a slight increase in food prices. Its year-on-year pace of decline slowed from minus 10.7 per cent to minus 9.1 per cent in April.

If people conclude that manufacturers are doing remarkably well despite the pound, they are wrong. There is a lot of pain beneath the surface," said Robert Barrie, chief economist at BZW. The combination of flat output prices and rising volumes indicated profit margins were suffering, he said.

The BRC survey reported that the year-on-year growth in the value of sales on a like-for-like basis increased to 4.8 per cent in May from 4.1 per cent in April, and total sales growth picked up to 8.3 per cent from 7.4 per cent. Both are growing more slowly than a year ago.

Figures on unemployment and earnings, due tomorrow, and retail prices on Thursday, will provide more indications about the extent to which inflationary pressure is building up. City experts expect the underlying inflation rate to remain at its 2.5 per cent target or edge lower, but most predict it will climb later this year.

The pound ended slightly lower yesterday, down two pence against the German mark at just over DM2.79, as the dollar plunged to six-month low against the Japanese yen.

It report yesterday suggested that new business in the foreign exchange markets would come from trading "exotic" currencies. It said the volume of trade in the Indonesian rupiah against the dollar and yen had already reached the volume of Italian lire for German mark trades in 1995.

While the market participants agreed, they said this type of business was starting from a very small base. "These trades are only just starting to appear on the radar screen," Mr Von Maydell said.

BIS says forex markets under threat from EMU

The Bank for International Settlements warned yesterday that the start of the European single currency could trim the size of the foreign exchange market by as much as 10 per cent, writes Diane Coyle. But experts in London, by far the biggest currency trading centre and the most vulnerable to a shrinking European market, said much of the adjustment to the euro had already taken place.

In its latest survey of currency trading around the globe, in April 1995, suggested 10 per cent of the foreign exchange market could disappear. With London accounting for far more trading between EU currencies than either New York or Tokyo, banks in the City would suffer most from any further loss of business arising from monetary union.

The BIS added that this prospective decline would coincide with a squeeze on dealing

margins due to the recent rapid growth of electronic broking. Spot foreign exchange trading via either Reuters or its competitor Electronic Broking Service has grown rapidly, with turnover of \$20bn (£12bn) daily at the start of 1996 to about \$80bn daily now.

However, foreign exchange specialists in London played down the BIS report, saying much of the EMU-related reduction in turnover had already happened.

Peter Voo Maydell at UBS said: "For all practical purposes EMU started a couple of years ago." He said exchange rate volatility, and therefore currency trading, between the likely EMU members was at its lowest for decades.

Michael Burke at Citibank agreed. "There has been a significant slowdown to the growth of total turnover since the

1995 survey, and the whole of the intra-European bloc has stopped growing," he said.

The BIS survey of global foreign exchange turnover, which had reached a daily average of \$1.2 trillion in April 1995, showed growth of 45 per cent between 1992 and 1995, and 39 per cent during the previous three years.

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Report highlights jobless fears

Diane Coyle
Economics Editor

A promising outlook for the world economy is clouded by a "grim" unemployment situation, the Bank for International Settlements said in its annual report yesterday. As EU finance ministers meeting in Luxembourg agreed on the urgency of tackling unemployment, the Basle-based BIS central bank

urged and factored into asset prices or whether the materialisation of any of them could trigger some broader form of retrenchment."

The report concluded that economic prospects were the most promising for some time. It welcomed governments' general commitment to price stability and their efforts to cut budget deficits.

But it said these efforts, and

especially the race to meet the Maastricht criteria in Europe, could not be blamed for high unemployment. Governments had to face the fundamental question of whether they could continue to honour all the past promises to protect workers' pensions and those on benefits and making progress towards EMU was only a secondary consideration.

Hamish McRae, page 24

*One Euro Index & graph at 1200 hours
**FTSE 100, Dow Jones*, Nikkei

Indices Close Day's change Change/Pct 1996/97 High 1996/97 Low Yield (%)

FTSE 100	4686.70	+41.70	+0.9	4693.90	4056.80	3.50
FTSE 250	4484.10	+10.90	+0.2	4729.40	4462.00	3.64
FTSE 350	2265.20	+17.30	+0.8	2272.10	2017.90	3.53
FTSE SmallCap	2273.49	-0.89	-0.0	2374.20	2178.29	3.09
FTSE All-Share	2222.17	+15.76	+0.7	2230.98	1998.78	3.50
New York *	7488.63	+52.85	+0.7	7456.78	5032.94	1.70
Tokyo	20223.82	-261.93	-1.3	20611.56	17303.85	0.81
Hong Kong	-	-	-	14990.90	12055.17	2.91
Frankfurt	3687.43	-27.88	-0.8	3696.29	2848.77	1.47

Source: FT Information

to the world's central banks, recommended countries with high jobless rates follow the path of job market deregulation.

It also warned there was a danger that financial markets had overlooked the risk that inflationary pressures might emerge, especially in the US.

Wim Duisenberg, BIS president, said: "The question is whether the macroeconomic risks have been correctly eval-

uated and factored into asset prices or whether the materialisation of any of them could trigger some broader form of retrenchment."

The report concluded that economic prospects were the most promising for some time. It welcomed governments' general commitment to price stability and their efforts to cut budget deficits.

But it said these efforts, and

especially the race to meet the Maastricht criteria in Europe, could not be blamed for high unemployment. Governments had to face the fundamental question of whether they could continue to honour all the past promises to protect workers' pensions and those on benefits and making progress towards EMU was only a secondary consideration.

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COMMENT

'Regulation has become a political football where what matters is being seen to do something about vote-winners like the pensions mis-selling scandal, rather than putting in place a more efficient and equitable system of City supervision.'

Support for super-SIB is lacking in substance

Between writing a hard-hitting criticism to City regulation and actually making public his thoughts yesterday, Professor Charles Goodhart picked up the phone from Gordon Brown and accepted a place on the Bank of England's new monetary policy committee. He should be applauded for not letting political patronage get in the way of telling it how it is.

Not that the reservations he and his academic chums express about the planned super-SIB will make a blind bit of difference. Regulation has become a political football where what matters is being seen to do something about vote-winners like the pensions mis-selling scandal, rather than putting in place a more efficient and equitable system of City supervision. What he has to say deserves some scrutiny, but it won't receive the credit it deserves round at the Treasury.

The arguments for a single, all-encompassing regulator are superficially appealing, but scratch the surface and there is little substance. Organisational neatness is no substitute for effective regulation and is certainly unlikely on its own to create it. There is no reason to believe that a single regulator will have any clearer understanding of its objectives than do the present legion of different regulators.

Even more of a concern is the danger that distinctions that must be made, such as between the wholesale and retail markets, will be fudged and confused. The enforcement mentality that is appropriate to a

watchdog tasked with guarding small private investors would be wholly inappropriate to the supervisor of wholesale practitioners for whom the ultimate sanction is to up sticks and head off to a less onerous market.

There are plenty of other reasons to believe the Government has jumped feet first into a morass of complexity without fully thinking through the consequences. The reputation of a single monolithic regulator could be irreparably damaged by a couple of high profile failures, while management faces a real prospect of becoming dangerously overstretched. Howard Davis faces a very great challenge in reconciling these differing needs and objectives under one roof.

Abbey is wise to avoid NatWest's problems

At last, a businessman prepared to kick against the fashion for more and more cost cutting consolidation in industry and finance. Or is he? Peter Birch, chief executive of Abbey National, is reported in a Sunday newspaper as being alone on the Abbey National board in supporting a merger with National Westminster Bank. He then went on to insist that the board was unanimous in rejecting the idea, and indeed eloquently puts the case against even considering it.

But just in case he's still in two minds about the matter (and the stock market certainly believes he might be), here's some

humble advice to him and anyone else still tempted by the mega-merger strategy. Though such mergers are capable of sometimes delivering significant value to shareholders, they are also nearly always against most other interests. All kinds of weird and wonderful theories and synergies are generally wheeled out to help justify deals of this kind, but generally speaking the bottom-line benefit is cost cutting and little else.

There's nothing wrong with this purpose as such, if it is professionally executed, cost cutting helps improve competitiveness, as well as yielding a big one-off gain for shareholders. Whether through merger or on their own, all banks will be forced to take an axe to costs over the years ahead. Furthermore, banking has become a business so open to new competition and new entrants that it is hard to argue from a public policy perspective that this is a merger that should be blocked on competition grounds.

But often the pain of such mergers is scarcely worth the gain and nearly always they are defensive in nature. They are about propping up and defending market share, rather than carving out new markets and opportunities; they are about management which have run out of ideas and vitality, desperately casting around for ways to satisfy the City's insatiable appetite for change and value; they are about empire building and bonuses and more often than not, they are about crunching the customer, at least in intention even if in practice

this purpose too usually proves a fruitless one.

There is no earthly reason why Abbey National should be considering such a cynical strategy. Since flotation it has done spectacularly well, for its shareholders and everyone else with an interest in its welfare. It will be hard to maintain that rate of progress but shareholders can still look forward to good, above average growth. National Westminster Bank, by contrast, is seen to be in a company in some difficulty, a medium-sized player in a number of different and highly competitive markets. Probably it does need to do something, but Abbey would be well advised not to get mixed up in somebody else's problems.

The euro traders that didn't bark

For Sherlock Holmes, the most significant clue was the dog that didn't bark in the night. One of the oddities about the past two weeks' drama over the single currency has been the absence of any dramatic reaction in the bond and currency markets to developments in France and Germany. It is the traders in the financial markets, often characterised on the Continent as nasty Anglo-Saxon speculators, who have not been barking.

Why not? Why has there been virtually no market reaction to the most serious threat so far that monetary union will not go ahead as planned? Why are the speculators not out in strength, generating tur-

moil, trouncing the euro and driving currencies and bonds everywhere? And why were they so sanguine about the new warning from the Bank of International Settlements that EMU could wipe 10 per cent off forex dealings?

The great detective provides the answer. If the dog has not barked, there is a reason for it. The solution to the euro mystery lies in the fact that fundamentally there has been nothing new to react to.

For as far as the markets are concerned, the euro is literally history. The kind of convergence in bond markets and dampening of currency volatility that has taken place since 1993 is based on genuine economic convergence and genuine policy commitments. The similarities between the core EU economies are now greater than their differences. The commitment of their governments to meeting the Maastricht criteria because this is the sensible policy has not wavered.

The gap between Theo Waigel and the new socialist Finance Minister in France, Dominique Strauss-Kahn, over how strictly to apply rules for budget deficits distracts attention from the fact that both believe in running prudent budgets. Italy's failure to make the fiscal grade on time does not mean that the Italian government has shrugged its shoulders in true Latin style and given up the effort. It will carry on struggling. Now if and when that changes, then the dogs really will begin to bark and the speculators will move in for the kill. But for the time being there is no underlying reason for a big correction.

Microsoft invests \$1bn in leading US cable operator

David Usborne
New York

Offering further evidence of its determination to wield influence in every sphere of media distribution, Microsoft yesterday unveiled a \$1bn (£611m) investment in Comcast Corp, one of America's largest cable television operators that it is valued at almost \$7bn.

The deal provides Microsoft's Bill Gates with an additional avenue to penetrate the front rooms of the American consumer, not just through software on their personal computer but also via television screens.

The move comes on the heels of the launch last year of Microsoft's joint venture 24-hour television and online news service with NBC, called MSNBC, as well as its agreement earlier this year to acquire WebTV, which makes the set-top hardware to bring the Internet on to ordinary televisions.

On a more technical level, the stake in Comcast gives Microsoft access to its highly advanced broadband distribution network. Compared with the low bandwidth of traditional telephone lines, the coaxial television lines allow for the transmission of huge quantities of data and interactivity with the consumer.

"Our vision connecting the world of PCs and TVs has long included advanced broadband capabilities to deliver video, data and interactivity to the home," Mr Gates said yesterday. "Comcast's integrated approach to cable distribution, programming and telecommunications complements that vision."

Among the immediate potential benefits for Microsoft is the additional scope offered by Comcast to distribute its own online information service, the Microsoft Network, which competes with CompuServe and America Online.

Meanwhile, the partnership with Comcast should give Microsoft new influence in the development of high-speed data transmission to television viewers. Comcast is a partner in the @Home Network, an online service aiming to use cable modems to send data on cable systems.

Based in Philadelphia, Comcast is a fiercely independent, family-owned corporation that also owns the QVC shopping network and wireless telecommunications operations along the eastern seaboard. By embracing Mr Gates, the company gains a substantial infusion of capital and the ability to offer new, Microsoft-generated services to its customers.

Offering his own reaction, Brian Roberts, the Comcast President, said the deal would "help us facilitate the deployment of high bandwidth applications and lead to more sophisticated services". While fourth in size beneath its rivals Cablevision, TCI and Time Warner, Comcast is a huge cable operator with 4.3 million subscribers country-wide.

With successive forays first into WebTV and now Comcast, Mr Gates is spreading his bets by ensuring he has the means to control not only the distribution pipeline for high-speed data transmission but also the technology to translate into pictures and sound on traditional televisions.

News of the Microsoft deal boosted Comcast shares. In early Nasdaq exchange trading, Comcast jumped \$3 to \$21.25. Microsoft slipped by \$1.0625 to \$12.50.

Separately yesterday, Cablevision Systems announced it was acquiring 10 key cable distribution systems in the New York area from TCI. The deal gives Cablevision a large footing in the New York market and helps TCI simplify its complex web of cable holdings.

DTI seeks petrol price review

Chris Godsmark
Business Correspondent

The Office of Fair Trading has been asked by the Government to look again at whether petrol price wars are driving independent garage owners out of business, in a wider investigation into predatory pricing allegations.

Nigel Griffiths, consumer affairs minister, has asked John Bridgeman, head of the Office of Fair Trading, to review the petrol market, which was transformed early last year when Esso, the market leader, cut its charges in its Price Watch campaign.

"The OFT is looking at whether independent retailers are being squeezed out of the market by predatory pricing," said Mr Griffiths. Another controversial topic due for consideration by the Department and Trade and Industry was news-paper pricing.

Esso is said to have lost £200m last year after launching Price Watch, which matches prices at the supermarkets. It brought an industry-wide bout of price cutting which cost British Petroleum £80m. Last year a further 1,500 indepen-

dent sites closed, leaving just 8,343 compared with more than 30,000 in the 1990s.

Mr Griffiths said he would wait for the OFT's advice before considering action. Measures to curb restrictive trade agreements were to be included in the competition bill, planned to come before Parliament by October.

News of the petrol price investigation was welcomed by independent retailers yesterday. James Frost, chairman of Save, the renamed Frost Group, with 614 sites, said he had been disappointed by the OFT's previous reluctance to intervene.

IN BRIEF

BankAmerica buys investment firm

BankAmerica is buying Robertson Stephens & Co, the San Francisco-based investment banking and investment management firm, in a deal valued at up to \$540m (£30m). BankAmerica said the transaction was structured so that a substantial portion of the payments would be used to retain more than 60 key Robertson Stephens officers for at least three years. "We expect, with this addition, to build a platform from which to offer our clients a broader range of equity underwriting and other investment banking and investment management services than we are currently able to provide," said David Coulter, chief executive of BankAmerica.

Pearson drops out of magazine talks

Pearson has withdrawn from negotiations over the acquisition of the Institutional Investor magazine group because it felt it was not possible to make the deal fit with the group's criteria of producing adequate return for shareholders. Pearson was believed to be the front-runner to buy the US financial magazines group after Euromoney reportedly dropped out of the auction process.

UBS buys Mister Minit chain

The Mister Minit chain of shoe repair bars has been acquired by UBS, the Swiss bank, for an undisclosed sum. Mister Minit was previously owned by US businessman Donald Hiltz Ryan. It has 4,000 shops in 26 countries including 480 in Britain. Last year the business had sales of \$500m (£306m). UBS plans to expand the Mister Minit chain with a view to seeking a stock market listing in London or Amsterdam within five years.

RMC buys into Croatian cement company

RMC Group has paid £34m for a 51 per cent shareholding in Dalmacijacement, the largest cement producer in Croatia. The company is located on the coast at Split and has an annual cement production capacity of 2.3 million tonnes. RMC said the company was "ideally situated to take advantage of the improving construction sector in Croatia".

Chrysalis bids for North-east radio licence

Chrysalis, the music and entertainment group, will today launch its bid for the North-east regional radio licence with a promise to bring mainstream classic and contemporary dance music to 18 to 34 year olds living in and around Newcastle. The bid, which aims to introduce the group's Galaxy brand into the North-east, will kick off in earnest next month with a one-month trial broadcast on board the *Tuxedo Royale*, Tyneside's floating nightclub.

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For a copy of the full BAA Annual Report, telephone 0171 932 6654 or write to: Corporate & Public Affairs, BAA plc, 130 Wilton Road, London SW1V 1LQ.

HIGHLIGHTS OF THE YEAR ENDED 31 MARCH 1997		
Revenue	£1,373m	up 9.6%
Operating profit	£491m	up 10.8%
Profit before tax and exceptional items	£444m	up 10.2%
Profit before tax*	£407m	down 2.6%
Earnings per share before exceptional items	32.0p	up 10.3%
Total dividend	12.4p	up 10.2%
UK Passenger numbers	98.0m	up 4.6%

*Profit before tax was affected by a reconsideration of BAA's policy on capitalisation of interest.

BAA

Shaping up for the 21st century

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Salvesen faces shareholder anger despite split plans

Magnus Grimond

Christian Salvesen, the transport to generator hire group, said yesterday it was on course to complete the demerger of its Aggreko generator hire business by the end of September.

But despite the news, the group, which earlier this year ran into a storm of controversy over the break-up proposals and £150m payout to shareholders whipped up by its former chairman, Sir Gerald Elliot, is likely to face stiff questioning from its Scottish shareholders at a meeting in Edinburgh this morning.

The shares have underperformed since management led by Chris Masters, chief executive, rejected a £1.1bn bid approach from rivals Hays last August.

Unchanged at 236.5p yesterday, the shares are well below the Hays offer, which would have been worth just short of

497p, even after taking account of a 17p special dividend and share consolidation.

Asked whether he was facing difficulties with his shareholders, Mr Masters said yesterday: "None of us happy with where the share price is", but he said he remained committed to the demerger proposals.

"I am totally convinced that the demergers are exactly the right thing to do, because we have got two strong businesses. I am not a fan of conglomerates, never have been."

"We are also removing uncertainty. I still believe these two businesses will deliver value. I guess we will judge the success of the demerger on how the two businesses trade in the first year."

He was speaking as Salvesen unveiled an 11 per cent rise in pre-tax profits to £85.9m for the year to March on sales up 6.6 per cent at £746m. A final dividend of 5.35p raises the total

for the year by 5.8 per cent to 9.15p, payable from earnings per share up from 18.8p to 19.4p.

Although Mr Masters highlighted underlying profits growth above 20 per cent from the Aggreko and Swift industrial logistics operations, analysts remained sceptical about the group's ability to maintain these figures. One said people were waiting for the demerger to pass judgment, but were anyway questioning the sustainability of this performance.

The senior management of Salvesen does not have much support and the feeling is that, in the past, something has always come up and grabbed them," he said.

The half-year figures were hit by £1m of costs incurred defending the group from the Hays bid and £2.3m in professional fees and other charges as a result of the capital reconstruction and special dividends.

Ward family sells stake

Cathy Newman

Suitors began to court Ward Holdings, the housebuilder, last night when the company's family shareholders announced they were to sell their controlling stake in the company.

"More than two" parties in the housebuilding sector expressed an interest in the company yesterday, according to Kleinwort Benson, which has been appointed to identify potential buyers.

The reasons for the sale of the family's 51 per cent share of the company are not being disclosed but it is thought that Dennis Ward, the chairman, wants to realise his investment before his retirement. Mr Ward is 73

and holds 8.1 million shares, or 15.4 per cent of the total.

Some observers have suggested the consistently poor performance of the share price may also have motivated Mr Ward and the other family shareholders to sell.

Analysts said the company was beginning to look more attractive. Ward yesterday disclosed that trading for the six months to the end of April had improved on the previous year, with a 24 per cent increase in new house sales.

Shares in Ward Holdings, which have fallen as low as 36.5p this year, jumped 13p to 62.5p.

A protracted dispute over a fire at a Tesco supermarket in 1993 has inhibited share price performance over the years and forced the company to set aside £5m to cover uninsured losses.

A source close to Ward Holdings believed it may receive approaches from buyers outside the housebuilding sector.

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Fund manager puts £1m on name

Nigel Cope
City Correspondent

Henderson, the independent fund manager, revealed yesterday that its name change from Henderson Administration last autumn cost almost £1m. The company has also increased its advertising budget from £1m to £3m this year to promote its new brand image.

Dugald Eadie, managing director, said the rebranding of its funds under the Henderson Investors banner had already paid dividends with more consultants displaying a willingness to recommend the group. "We feel we have a better, crisper image. People now don't have to keep track of half a dozen different companies."

He said the company was continuing to improve after a rash of client defections two years ago. Pre-tax profits rose from £20.2m to £20.8m in the year to 31 March with funds under management and administration rising by 12 per cent to £15.9bn. Henderson added over £1bn of net new client funds during the year. "We started turning the corner last year. We are now coming up the hill," Mr Eadie said.

Though the gain in UK institutional funds was modest, the company said it had won its first balanced pension fund account for some years. It claimed its above average UK pension fund performance over one, three and five years had put the company in a strong position to win more new business.

In the personal investors division, the UK retail funds grew, helped by buoyant stock markets. Gains in international funds continued with Seligman Henderson again achieving strong growth. Funds under management there grew from £1.8bn to £2.2bn. The increasing demand for specialist administration skills boosted funds under management in this area from £2.3bn to £2.7bn.

Ben Wrey, Henderson chairman, said: "Our central challenges at Henderson have been to manage changes in our business mix and following our success in the United States with Seligman Henderson. We have made tangible further progress during the year."

Earnings per share during the year grew 5 per cent to 65.4p. The second-half dividend of 31.5p makes a total of 45p.



Expecting an improvement: Angus Crichton-Miller

IN BRIEF

• Shares in Seafield Resources jumped 6.5p to 60p after the oil company, which is exploring in Ghana, said it had received takeover approaches from two parties. The London-based company also works in the Netherlands, Tunisia, Syria and Australia, and is valued at £41m at yesterday's closing price. The company's share price has fallen steadily from a high of 80p over the past year, reflecting the departure of its chief executive and a warning that it may have to cut estimates of its petroleum reserves after disappointing drilling results.

• Renold, the precision engineering group, announced a rise in full-year profits before tax from £18.7m to a record £21.5m, reflecting "strong growth" from North America, the gears operation and the Holyrood subsidiary. Earnings per share advanced from 20.8p to 22.7p. The final dividend is 5.2p.

• Raymond Liqman, chairman of Safefland, made an upbeat statement on prospects for the property group as he announced a rise from £2.7m to £2.7m in taxable profits for the year to March. The group was confident it had laid solid foundations for the current year and the future "is looking bright", he said. The 1996/97 results included a six-week contribution from Hercules Property Services which was demerged last year and floated on AIM.

• Oridame International, the retailing group, reported an increase in annual taxable profits from £19.87m to £21.4m, said its financial position remained strong and was confident growth would be sustained. Robert Jochnick, chairman, said strong sterling had had an adverse effect on sales and earnings. However, he said initial sales in India were "very positive", and the company expected a profit contribution in the current year.

Company Results					
	Turnover £	Pre-tax £	EPS	Dividend	
Asat (F)	145m (137m)	9.0m (10.2m)	30.7p (30.1p)	9.5p (8.4p)	
Ambrose Bruges (F)	44.9m (22.9m)	5m (5m)	5.45p (4.2p)	1.6p (-)	
BAA (F)	1.37bn (1.26bn)	407m (415m)	28.4p (20.4p)	12.4p (11.25p)	
Crischell Group (F)	45.8m (43.3m)	8.52m (7.13m)	36.2p (33.6p)	8.2p (-)	
James Crapper (F)	52.2m (57.8m)	7.1m (7.6m)	38.2p (13.7p)	4.7p (3.9p)	
Dalziel Estates (F)	6.88m (2.35m)	1.23m (1.22m)	5.1p (0.5p)	1.55p (1.55p)	
Electronics (F)	106.8m (53.9m)	112.4m (59.2m)	17.7p (15.6p)	7.7p (6.8p)	
Electrode Data (F)	6.45m (7.8m)	0.80m (1.5m)	2.07p (3.95p)	0.85p (0.85p)	
Eurocamp (F)	16.8m (14.7m)	-4.85m (-3.2m)	-8.5p (-10.5p)	3.75p (3.75p)	
Field Group (F)	215m (201m)	21.4m (18.2m)	27.4p (24.2p)	9.4p (8.5p)	
Gill Railways (F)	20.0m (-)	0.4m (-)	3.0p (-)		
Henderson (F)	74.7m (70.4m)	20.6m (20.2m)	65.15p (62.18p)	45p (45p)	
Hewitt Holdings (F)	4.53m (-)	0.34m (-)	1.04p (-)		
Hydro (F)	1.14bn (652m)	206m (133m)	118.6p (95.8p)	43.9p (38.7p)	
Ideal Hardware (F)	17.3m (13.8m)	9.83m (7.8m)	29.35p (24.7p)	13.2p (10.6p)	
Offshore Total (F)	9.13m (9.0m)	21.4m (19.9m)	32.4p (30p)	15.7p (15p)	
Renold (F)	180m (178m)	21.5m (18.7m)	22.75p (22.65p)	8p (7p)	
Safefland (F)	40.1m (21.4m)	2.7m (2.27m)	6.55p (5.5p)	2.15p	
Seafield Resources (F)	74.6m (70.0m)	65.3m (67.7m)	19.4p (18.6p)	8.15p (8.55p)	
Stretford (F)	10.7m (15.9m)	0.27m (1.31m)	1.85p (9.5p)	1.5p (1.5p)	
Tancon (F)	28.0m (20.4m)	5.52m (1.85m)	15.5p (11.5p)	5.5p (4.25p)	
Unigate (F)	158.8m (167.3m)	16m (62m)	10.7p (10.47p)	4.65p (4.65p)	
Walker, Crisp & (F)	2.41m (2.13m)	1.16m (1.25m)	37.2p (31.2p)	30.2p (19.2p)	
Watson, Crisp & (F)	8.42m (5.45m)	0.61m (0.65m)	7.1p (5.6p)	3.25p (3p)	

(F) - Final (F) - Interim

Magnus Grimond

Eurocamp, the camping holiday specialist, does not expect to share in the bonanza that other holiday companies are forecasting from customers flush with building society windfalls.

Richard Atkinson, chief executive, said the bonuses would be "not unhelpful" for the company, but their customers tended to be younger families "who are probably at least as interested in Miras coming off as the windfalls".

However, Eurocamp is likely to be unusual among British companies in welcoming the recovery in the purchasing power of the pound abroad after being hammered by the currency's weakness in 1995/96.

With 65 per cent of its business in France, Mr Atkinson said they had seen some benefits come through since Christmas, although it would probably take until next year before people really started to take notice.

His comments came as Eurocamp announced a cut in its sea-

Unigate continues to deliver profits

THE INVESTMENT COLUMN

EDITED BY MAGNUS GRIMOND

City clearly believes the management will continue to deliver.

With analysts upgrading current year profits to £140m yesterday, the shares, down 2p to 494.5p, trade on a forward rating of just 11. Buy.

Electro to expand its Euro vision

Electrocomponents, the electronic safety parts delivery group, is at last moving off in a different direction from rivals Premier Farnell after years when the two groups were almost indistinguishable. Electro yesterday set out its strategy to beef up operations on the Continent, building on its leading position there. Longer term, it will expand from its bases in Singapore and Hong Kong to develop in the Far East, where the market is much less developed.

The chairman, Ian Martin, says management will continue to add in fill acquisitions like the Hargraves and Harris businesses which were added to the Marion division last year. But it could gear up to a £500m deal if it chose. Analysts expect a deal in continental Europe.

There were two problem areas last year. A one-off concern was in the Winchcombe distribution business, where profits were flat due to difficulties in the transport division. Management there has since been changed.

The other headache was the dairy business, which took a £1.2m hit due to lower profits from butter and milk powder. Then there is the tough market in liquid milk, where sales were 6.9 per cent lower, largely due to the continuing fall in doorstep milk deliveries, although this decline is slowing.

There could be some action here. Last month's merger between Avonmore Foods and Waterford Foods is seen as just part of a major industry consolidation in milk.

Unigate will surely play its part, though Mr Buckland is not saying if this will mean expansion or withdrawal. There are other options, including the possibility of a joint venture with another milk supplier.

Unigate shares have been a steady performer in the past five years and the

company is not doing, at least for the moment, is attempting to lay down a bridgehead in North America, where it is unrepresented. The group is too polite to draw attention to the travails of Pernod, which over the past year has suffered a shareholder revolt and a profits warning, but Electro's shares have outperformed its rival's by more than 50 per cent since its controversial £1.8bn takeover of Premier in January 1996.

Yesterday's figures from Electro, showing pre-tax profits up 13 per cent to £112m in the year to March, suggest the stock market has been right in its relative valuations. The 7.8 per cent growth in UK sales to £397m last year means Electro probably took market share from its rival. Meanwhile, European sales growth rates at between 15 and 25 per cent remain respectable.

However, the European slowdown evident last year has continued, with UK growth decelerating to 6 per cent in the second half, a rate that has been maintained into the new year. Electro will use its £84.5m cash pile to double capital expenditure this year and over 18 months expects to double the product offering on the Continent to the 80,000 lines available in the UK.

Assuming profits of £120m this year, the shares, up 12.5p to 412.5p, stand on a forward multiple of 22, which looks fair value for such a quality company.

Ideal provides that little extra

Ideal Hardware has just clocked up its tenth successive year of profits growth and seen its share price triple in three years – an impressive record for a company in the commodity world of distributing computer components.

While distributors like Abacus have suffered badly from a marked slowdown in computer sales, Ideal has protected itself, and blossomed, by specialising in high-margin memory storage systems – memory disks, tape streamers and the like – which represent over three quarters of its business.

As the price of each megabyte of computer memory has fallen, the size of the average unit needed to drive a modern computer system – with all its whizbang multimedia features – has grown from 20 megabytes 10 years ago to over 2,000 megabytes today. So the value of shipments has grown, while Ideal has also been aggressive in marketing its product lines to its customers, the specialist computer shops.

The group uses the Internet to update customers on the latest gizmos. Its biggest customers get a dedicated satellite channel beaming three hours of product information and video demonstrations over the Internet. By acting as a consultant, Ideal makes its customers more effective resellers and can charge that little extra to

Bankers bang their drum on governments borrowing less

No serious investor should miss it. Each year the annual report of the Basle-based Bank for International Settlements gives its bird's eye view of the main issues in international finance - the dispassionate central bankers' perception of the shifts in the world economy and the response of the financial markets to these shifts. Its particular value is that it acknowledges the market assessment, but puts a somewhat longer-term slant to it.

The view is apolitical in the sense that it is above national party politics, but naturally it reflects central bankers' values which, unlike those of national politicians, tend to be pretty universal. But since those values seem to be in the ascendant everywhere - look at the way the Bundesbank won its "gold war", or the growing power of the Bank of England - the views deserve to be taken seriously even by people who do not share the values behind them.

The core theme this year, as one might expect, is the sustained process of disinflation that continues around the world. We tend here to think of this principally as something which is happening in the developed countries, for these are the figures we see published in our media, but the BIS very properly points out that some of the most remarkable reductions in inflation have occurred in the developing world. The globalisation of the world economy has its impact on developing countries as much as developed, in some cases more so.

The financial markets are now markedly confident that the trend towards lower inflation will be sustained. Is the BIS so confident? Yes and no. Yes, it acknowledges that many of the forces which have pushed inflation down will continue to operate: rapid technical progress in electronics; globalisation itself; market liberalisation; retrenchment by governments correcting earlier spending excesses; and very high unemployment, often concealed. But it wonders whether the market is right in this conviction; or rather, while the market is probably right,



Hamish McRae

The BIS suggests that macroeconomic objectives should be tougher. It is not just monetary policy which has to be disciplined: fiscal policy has to be more disciplined too

whether it adequately allows for the risk that it might be wrong.

One particular area for mis-judgement might occur when inflation expressed in terms of current prices remains low, but inflation in terms of asset prices soars. That is precisely what has been happening throughout the developed world, with the sole exception of Japan. As the BIS rather grimly points out "swings of sentiment in financial markets are by no

means new, but there may be particular problems of interpretation" of this phenomenon.

I suppose the question is that the BIS is posing here is whether the markets' current mood is really the "irrational exuberance" feared by the Fed's Alan Greenspan or whether it is more securely grounded. Since we cannot know before the event, there is certainly a case for designing financial structures which are robust enough to withstand unpleasant shocks.

At one level this may simply mean tougher prudential regulation - one very interesting idea floated is that central banks maybe should have less discretion in fixing monetary policy but able to impose tighter banking controls. Translated into UK practice, that might mean less independence for the Bank on interest rates, or rather less discretion but more explicit targets, and tougher powers for the newly expanded SIB. But the BIS goes beyond this and suggests that general macroeconomic objectives should be tougher. It is not just monetary policy which has to be disciplined: fiscal policy has to be more disciplined too. For example,

"simply stabilising government debt/GDP ratios must be seen as inadequate, since at some time there will inevitably be another recession which will push them back up."

It is useful to remind policy-makers that there will be another recession. The graph shows what has happened to the debt/GDP ratios for the Group of Seven countries since 1990, the period which spans the last

recession, but also several years of recovery. In every one of those countries, the ratio has risen. In other words, governments have failed to use the opportunity of the expansion to claw back the ground they lost.

The BIS has no precise blueprint for what should be done, but the experience of the redisciplining of monetary policy which took place during the 1980s shows that setting explicit targets does seem to be a useful guide to action. Arguably one of the lasting legacies of the Massachusetts process, whatever happens to the plan for a single currency, will be to focus attention on the unsustainable level of public sector deficits. If, for example, the UK government had been forced to make its long-term plans for the growth of public debt explicit - that it would accept that debt levels might rise from 35 per cent of GDP to 56 per cent, there would have been much greater opposition to these plans. The BIS does not say it in so many words, but it may well be that the next decade will see a global redisciplining of fiscal policy, analogous to the global redisciplining of monetary policy which has just taken place.

The other area where the BIS view ought to be interesting is the plan for the single currency. Here, the reader will be sadly disappointed, for the BIS cannot speak its mind. There is a comment about the "euro" possibly taking over from the dollar as the main international currency and one noting that the markets have become more convinced that the plan would go ahead. But all this was written before the seismic events of the last three weeks, both in Germany and in France. Presumably the BIS would be hostile to a weak euro, and its views on fiscal discipline would point to scepticism about wide membership in the first place. But remember that the BIS supplied the secretariat for all the work on the nascent European Central Bank, and its previous general manager became head of the European Monetary Institute. This, sadly, is one of those few areas where lips are sealed.

He is expected to stand up for the 23 district societies in the face of proposals to merge them into a smaller number of larger regions, and to fight to retain activity-based funding from the Chartered Institute itself rather than the proposals to switch to direct funding by the local membership.

The London Society of Chartered Accountants, the largest and most active of the district accountancy societies with 23,000 members, has moved into new offices in Basinghall Street, just round the corner from the Guildhall, and has elected Nick Hamilton, a managing partner of Hereward Philips, as its chairman.

For an accountant he has a distinctly purple patch in his CV. After qualifying at the age of 22 in 1971, he decided to spend a year travelling from Alaska to Tierra del Fuego and back by the Amazon and the Caribbean before settling down to the graft of accountancy.

High points included being given shelter in a YWCA when he found himself in the freezing Yukon with no winter clothing, and then crewing a cargo ship in the Caribbean. Low points included a 6,000-foot climb up the side of the Grand Canyon to find the bars all shut for election day, and a month picking tobacco in Canada.

Married with two children, his hobbies include scuba-diving and underwater photography, and playing cricket and tennis, although he is currently nursing a cracked ankle from paint-balling with his children.

He is expected to stand up for the 23 district societies in the face of proposals to merge them into a smaller number of larger regions, and to fight to retain activity-based funding from the Chartered Institute itself rather than the proposals to switch to direct funding by the local membership.

The London Bullion Market Association has appointed Peter Fava, a former managing director of Alexander's Discount and now head of precious metals at Midland Bank, as its new chairman.

Born in Malta the son of an army doctor, Mr Fava was given a choice of foreign exchange or bullion when he joined Johnson Matthey from Lloyds Bank in the early Seventies and has never regretted the advice that bullion was the more interesting option.

Married with two children, his interests include golf and hill-walking near his Dorking home

Other reforms including electronic clearing are on the way and Mr Fava believes the hatching of the EMU will simultaneously reduce the number of currencies available for the foreign exchange market and promote gold as a realistic trading competitor to the dollar, yen and euro.

Meanwhile, on the subject of bullion, Mahatma Ghandi's face was the only real choice to adorn the gold rupee coin struck to mark the golden jubilee of Indian independence on 15 August.

It was designed in London by the Parwez design partnership and will be manufactured by Pobjoy Mint in Surrey.

The reverse is pretty functional too, but the new coin weighs 10 grammes of 24 carat gold and is expected to sell in India for an estimated £100 including import duty, a premium of about 40 per cent on its bullion content.

It will also be a bankable item, which will earn interest at about 3.75 per cent on minimum quantities of 500 coins. Some 30,000 pieces will be available for sale in the UK.

I hear of a major addition to the world of whisky tourism with the opening yesterday of a new visitors' centre at the Glenkinchie malt whisky distillery, just 15 miles by road from the centre of Edinburgh.

The centre was opened by Lord Macfarlane, the honorary life president of United Distillers. It already contained a scale model of a distillery and is now blending the art of the distiller with the techniques of son et lumière. For £3 a head visitors will get a 60-minute tour, a dram and a £3 discount voucher.

The distillery hopes to double the number of visitors to 60,000 a year and popularise the malt, which, I am told, is in the mid-price range for malts, light in colour and character and an ideal aperitif.

Clifford German



Action man: Nick Hamilton was stranded in the freezing Yukon

and in Italy, and opera, especially Italian.

The bullion market has always been a by-word for traditional practices with representatives of five old-established City firms (mostly now in new ownership) sitting round a table "fixing" a gold price twice a day and silver price once a day.

The fixing still provides a reference point for the rest of the world but there are now 12 market-makers, trading in both physical gold and derivatives, and in spite of recent rate rises interest-bearing gold loans are a cheap and attractive alternative to currency loans for mining houses keen to maximise their cash-flows.

Foreign Exchange Rates

Country	Sterling	Dollar	D-Mark			
Country	Spot	1 month	3 months	Spot	1 month	3 months
US	163.42	13.11	36.33	1000	181.73	138.65
Canada	2.2658	65.60	181.73	1000	30.29	86.84
Germany	2.7920	79.73	241.23	10785	33.36	116.12
France	1.9428	25.97	1000	1000	3.7397	1000
Italy	12.7874	21.15	102.73	1000	10.56	110.56
Japan	184.26	108.10	130.304	127.75	56.35	167.165
ECU	143.54	28.25	138.85	1000	47.49	149.56
Denmark	30.14	20.20	80.20	1000	50.42	25.25
Netherlands	33.12	88.82	192.22	1000	42.40	130.24
Ireland	10.612	3.2	12.45	1000	7.02	7.25%
Spain	11.2634	33.40	1000	1000	6.81	20.20
Sweden	23.39	21.11	144.81	1000	5.51	144.45
Switzerland	12.571	24.90	127.73	1000	20.47	149.143
Australia	2.4881	8.3	30.20	1000	8.3	4.6
Hong Kong	1.0069	0.4	19.40	1000	1.47	1.47
New Zealand	2.3685	2.6	2.14	1000	2.14	144.81
Singapore	1.6291	0.0	0.0	1000	7.31	31.33
Malta	2.3763	0.0	0.0	1000	1.42	137.05

Bond Yields

Country	5yr	yield %	10yr	yield %	Country	5yr	yield %	10yr	yield %
UK	7.0%	7.02	7.25%	7.11	Netherlands	8.25%	4.67	5.75%	5.86
US	6.85%	6.85	7.0%	7.05	Spain	7.50%	5.75	6.85	7.05
Canada	6.0%	6.05	6.2%	6.45	Sweden	8.0%	5.80	6.25	6.50
Denmark	7.5%	7.50	7.75%	7.95	Belgium	10.0%	5.79	6.50	6.95
Portugal	4.95%	4.95	5.25%	5.55	Austria	10.0%	6.00	6.75%	7.17
Philippines	4.5102	4.5102	4.5102	4.5102	Switzerland	13.0%	5.79	6.50	6.95
Portugal	4.5102	4.5102	4.5102	4.5102	ECU	6.0%	4.67	5.50%	6.19

Yields calculated on local basis.

from Bloomberg

Money Market Rates

Contract	Open	Close	High/Low	Sett.	Contract	Open	Close	High/Low	Sett.
Long Gilt	13.07	13.07	13.05	13.05	Long Gilt	13.07	13.07	13.05	13.05
German Gilt Bd	12.97	12.97	12.95	12.95	German Gilt Bd	12.97	12.97	12.95	12.95
Italian Bond	12.80	12.80	12.78	12.78	Italian Bond	12.80	12.80	12.78	12.78
Austrian Bond	12.75	12.75	12.73	12.73	Austrian Bond	12.75	12.75	12.73	12.73
Swiss Bond	12.70	12.70	12.68	12.68	Swiss Bond	12.70	12.70	12.68	12.68
3 Mth Sterling	9.36	9.36	9.32	9.32	3 Mth Sterling	9.36	9.36	9.32	9.32
3 Mth Eurodol.	9.36	9.36	9.32	9.32	3 Mth Eurodol.	9.36	9.36	9.32	9.32
3 Mth Euro	9.36	9.36	9.32	9.32	3 Mth Euro	9.36	9.36	9.32	9.32
3 Mth Euroexch.	9.36	9.36	9.32	9.32	3 Mth Euroexch.	9.36	9.36	9.32</	

Richardson does bit for British

Tennis

MATT TENCH
reports from Queen's Club

A victory over Armenia may not quite rank with those over Australia and Germany in the last two days, but in his own small way Andrew Richardson did his bit for the British sporting summer here yesterday.

Despite making a shocking start, Richardson contributed to the feel good factor by responding in a manner completely at odds with the stereotype rank and file British tennis player to beat Sargsian 6-7, 6-2, 6-4 in the first round of the Stella Artois championships. For Richardson, who ranked 172 places below Sargsian, it was a triumph as much of fighting spirit and mental toughness as technical purity.

An encouraging afternoon in the home crowd continued to 1 minutes later when Martin le came back from losing the first seven games of his match with Andrei Olsikovsky, the Russian grass-court specialist.

Richardson could hardly have been less impressive in the opening exchanges, the first 11 hander moving slowly and using easy volleys as he trailed 1 and 5-2. Sargsian is of Armenian stock, operates out of America and sports a goatee all of which brought to mind another Armenian American. The comparison seemed valid in the opening set, for though Sargsian's lack Andre Agassi's dollars in the bank, not to mention his pounds round the midriff, he certainly displayed some of the Las Vegas' shot-making, notably a series of blistering service returns that left Richardson helpless.

Trailing 5-2 the Briton appeared doomed, but then finally found his range, particularly with his service and forced a tie break.

The first eight points went with service but Sargsian forced the break with a lovely quick forehand down the line and went on to win 7-4.

Richardson's response was splendid, however, forcing an early break in the second set and then capturing Sargsian's serve down the line and forced a tie break.

In the second round today he will meet his friend, Tim Henman, whose status as the No 4 seed earned him a first round bye.

Richardson took the set. By now Richardson was in commanding form. He had earned his wild card for this tournament on the back of his excellent Davis Cup victory over Zimbabwe's Byron Black in April and was clearly relishing the opportunity to show the watching Davis Cup captain, David Lloyd, the full range of his shots.



Triumph of the spirit: Andrew Richardson on his way to victory over Sargsian Sargsian at Queen's Club yesterday

Photograph: Peter Jay

"I realised they were very good courts," Richardson said. "It suited me to stay back on my second serve."

Richardson was especially strong on the backhand side and it was from this source that he forced the break in the third game, forcing Sargsian to voluntary into the net. It was Sargsian's

game that now appeared ragged, his volleys particularly suspect, and Richardson was able to hold serve for the remainder of the set to claim a hard-earned victory.

In the second round today he will meet his friend, Tim Henman, whose status as the No 4

seed earned him a first round bye.

Richardson's start was poor but it was textbook compared to Lee's. "I was very, very nervous," the 19 year old, for whom this is his first senior tournament since moving out of junior tennis four months ago, said. "The first set was over in about ten minutes."

Lee, who was ranked No. 1 in junior tennis a year ago,

then mounted his own comeback, shrugging aside the 30 ranking places that divided him and Olsikovsky to beat a man whose most famous victory came over Jim Courier at Wimbleton five years ago.

The day began less encouragingly for Britain with Henman dropping out of the world top

20 for the first time in five months, while Mark Petchey did not catch the mood of the day when he lost to India's Leander Paes in 54 minutes.

■ Monica Seles has made a late entry into the Direct Line International Championships which begins at Devonshire Park, Eastbourne, on 16 June.

Jordan falls short for Bulls

Basketball

Decade Michael Jordan, the top scorer the Chicago Bulls' in their 73 defeat by Utah Jazz which clinched the NBA Finals in the fifth game on Sunday, was told he had looked mortal.

Mortal in the sense that we or mortal in the sense that didn't score 60 points?" Jordan scored only 22 points and he had looked mortal.

There's different ways you look at it, the way my output was tonight. I didn't really care what you're accustomed to seeing, my average of 31, 32, 33 or whatever.

The nine-times scoring champion, looking for his fifth title, scored just 10 points in the first three quarters, then 12 in the fourth.

And I felt I was able to find the

rhythm. You were probably happy when I was stroking it pretty good," he said, mildly making fun of his questioner. In the fourth quarter, however, he also committed two of his three turnovers.

In terms of the outcome of the game, I made a couple of [bad] passes, I missed a couple of shots and I guess I looked like a mortal person at the time."

Jordan, whose basket in the last seconds won the first game for the Bulls, said he knew that for some people the game turned into "expectations of what Michael Jordan does, and make people like you realise that there's going to be games where I can't live up to the fantasy or the type that people have built Michael Jordan to be."

When Malone, the main recipient of passes from the NBA's all-time assists leader, laid the ball in, it shot six-for-11 from the field including two three from three-point range.

"I think Stock knew it had to

be the perfect pass," Malone said. "The pass he made is probably one you'll never forget in basketball."

John Stockton, the Utah coach, said: "And I have to accept that and look at it as a motivational situation, that next game I hope I can please you."

Smiling as the roomful of reporters laughed, Jordan added: "If it doesn't happen, then I've got to keep looking further in the future."

Stockton had a hand in 10 of Utah's last 12 points - as for the Bulls, said he knew that for some people the game turned into "expectations of what Michael Jordan does, and make people like you realise that there's going to be games where I can't live up to the fantasy or the type that people have built Michael Jordan to be."

When Malone, the main recipient of passes from the NBA's all-time assists leader, laid the ball in, it shot six-for-11 from the field including two three from three-point range.

"I think Stock knew it had to

Wigan off the mark

Rugby League

DAVE HADFIELD

Wigan began the job of restoring British pride in the World Club Championship with a morale-boosting 22-18 victory at Canterbury yesterday.

Britain's most experienced side in international competition became the first in this tournament to beat southern hemisphere opposition, after building up a 22-0 lead at Belmont. Jason Robinson scored two tries and Simon Haughton and Andy Johnson one each as Wigan took all their chances and Canterbury missed theirs.

Those sentiments were echoed by the Wigan coach, Eric Hughes, who said: "The British game needed that." Perhaps the most relieved man, though, was the chief executive of European Super League, Maurice Lindsay, who must have been embarrassed by the woeful efforts of some other English clubs over the weekend.

However, Wigan were hanging on anxiously at the end as their travel schedule, their defensive workload and the loss of their captain, Andy Farrell, with a hamstring injury all caught up with them.

The Auckland Warriors' centre, Anthony Swann, will face a disciplinary panel this morning

after the league decided that he has a case to answer over the use of a knee on St Helens' Andy Haigh on Friday. Swann will be charged with striking an opponent and could be ruled out of the rest of the British phase of Auckland's tournament if it is suspended. Auckland are also being warned about their technique of playing the ball and back-chatting to the referee.

Haigh, who was taken to hospital for a check-up after the incident with Swann, does not have a broken cheekbone. He has severe bruising, but will be fit for the game against Cronulla on Monday. Paul Newlove is also regarded as an outside possibility to make his comeback in that game, but Bobbie Goulding could opt this week to have an operation for a hernia and effectively rule himself out of that fixture and the meeting with Penrith six days later.

TODAY'S NUMBER

1,000

The number of bottles of beer plus 100,000 yen (£535) received by Keijiyoji Miura, for being named man of the match as Japan beat Croatia in the Kirin Cup in Tokyo. Miura, the former Genoa striker, scored twice in a 4-3 victory.

CRICKET SCOREBOARD

Castrol Cup semi-final

One-day match

Yorkshire v Gloucestershire

Gloucestershire beat Yorkshire by two wickets

Yorkshire won 100-90

M D Mason 1, David B Lewis 1

✓ D Spoff C Curran 1, Alayne 1

✓ R A Metherell not out

✓ B Parker 1, Lewis 1, Sheat 1

✓ Davies 105, wkt 1

✓ Patic 1, 2-15, 3-15, 4-15, 5-15, 6-15, 7-15, 8-15, 9-15, 10-15, 11-15, 12-15, 13-15, 14-15, 15-15, 16-15, 17-15, 18-15, 19-15, 20-15, 21-15, 22-15, 23-15, 24-15, 25-15, 26-15, 27-15, 28-15, 29-15, 30-15, 31-15, 32-15, 33-15, 34-15, 35-15, 36-15, 37-15, 38-15, 39-15, 40-15, 41-15, 42-15, 43-15, 44-15, 45-15, 46-15, 47-15, 48-15, 49-15, 50-15, 51-15, 52-15, 53-15, 54-15, 55-15, 56-15, 57-15, 58-15, 59-15, 60-15, 61-15, 62-15, 63-15, 64-15, 65-15, 66-15, 67-15, 68-15, 69-15, 70-15, 71-15, 72-15, 73-15, 74-15, 75-15, 76-15, 77-15, 78-15, 79-15, 80-15, 81-15, 82-15, 83-15, 84-15, 85-15, 86-15, 87-15, 88-15, 89-15, 90-15, 91-15, 92-15, 93-15, 94-15, 95-15, 96-15, 97-15, 98-15, 99-15, 100-15, 101-15, 102-15, 103-15, 104-15, 105-15, 106-15, 107-15, 108-15, 109-15, 110-15, 111-15, 112-15, 113-15, 114-15, 115-15, 116-15, 117-15, 118-15, 119-15, 120-15, 121-15, 122-15, 123-15, 124-15, 125-15, 126-15, 127-15, 128-15, 129-15, 130-15, 131-15, 132-15, 133-15, 134-15, 135-15, 136-15, 137-15, 138-15, 139-15, 140-15, 141-15, 142-15, 143-15, 144-15, 145-15, 146-15, 147-15, 148-15, 149-15, 150-15, 151-15, 152-15, 153-15, 154-15, 155-15, 156-15, 157-15, 158-15, 159-15, 160-15, 161-15, 162-15, 163-15, 164-15, 165-15, 166-15, 167-15, 168-15, 169-15, 170-15, 171-15, 172-15, 173-15, 174-15, 175-15, 176-15, 177-15, 178-15, 179-15, 180-15, 181-15, 182-15, 183-15, 184-15, 185-15, 186-15, 187-15, 188-15, 189-15, 190-15, 191-15, 192-15, 193-15, 194-15, 195-15, 196-15, 197-15, 198-15, 199-15, 200-15, 201-15, 202-15, 203-15, 204-15, 205-15, 206-15, 207-15, 208-15, 209-15, 210-15, 211-15, 212-15, 213-15, 214-15, 215-15, 216-15, 217-15, 218-15, 219-15, 220-15, 221-15, 222-15, 223-15, 224-15, 225-15, 226-15, 227-15, 228-15, 229-15, 230-15, 231-15, 232-15, 233-15, 234-15, 235-15, 236-15, 237-15, 238-15, 239-15, 240-15, 241-15, 242-15, 243-15, 244-15, 245-15, 246-15, 247-15, 248-15, 249-15, 250-15, 251-15, 252-15, 253-15, 254-15, 255-15, 256-15, 257-15, 258-15, 259-15, 260-15, 261-15, 262-15, 263-15, 264-15, 265-15, 266-15, 267-15, 268-15, 269-15, 270-15, 271-15, 272-15, 273-15, 274-15, 275-15, 276-15, 277-15, 278-15, 279-15, 280-15, 281-15, 282-15, 283-15, 284-15, 285-15, 286-15, 287-15, 288-15, 289-15, 290-15, 291-15, 292-15, 293-15, 294-15, 295-15, 296-15, 297-15, 298-15, 299-15, 300-15, 301-15, 302-15, 303-15, 304-15, 305-15, 306-15, 307-15, 308-15, 309-15, 310-15, 311-15, 312-15, 313-15, 314-15, 315-15, 316-15, 317-15, 318-15, 319-15, 320-15, 321-15, 322-15, 323-15, 324-15, 325-15, 326-15, 327-15, 328-15, 329-15, 330-15, 331-15, 332-15, 333-15, 334-15, 335-15, 336-15, 337-15, 338-15, 339-15, 340-15, 341-15, 342-15, 343-15, 344-15, 345-15, 346-15, 347-15, 348-15, 349-15, 350-15, 351-15, 352-15, 353-15, 354-15, 355-15, 356-15, 357-15, 358-15, 359-15, 360-15, 361-15, 362-15, 363-15, 364-15, 365-15, 366-15, 367-15, 368-15, 369-15, 370-15, 371-15, 372-15, 373-15, 374-15, 375-15, 376-15, 377-15, 378-15, 379-15, 380-15, 381-15, 382-15, 383-15, 384-15, 385-15, 386-15, 387-15, 388-15, 389-15, 390-15, 391-15, 392-15, 393-15, 394-15, 395-15, 396-15, 397-15, 398-15, 399-15, 400-15, 401-15, 402-15, 403-15, 404-15, 405-15, 406-15, 407-15, 408-15, 409-15, 410-15, 411-15, 412-15, 413-15, 414-15, 415-15, 416-15, 417-15, 418-15, 419-15, 420-15, 421-15, 422-15, 423-15, 424-15, 425-15, 426-15, 427-15

England's fidelity high
Derek Pringle on a new approach
bringing Test success, page 26

sport

Brits show grit
Matt Tench on the new wave
of home hard men, page 27

INTERNATIONAL FOOTBALL: Shearer and Ronaldo, the supreme No 9s, lock horns tonight. Glenn Moore reports from Paris

Goal goliaths going head to head



ALAN SHEARER

Height: 1.8m.
Weight: 76.8kg.
Age: 26
CLUB RECORD
Southampton: 128 games, 43 goals
Blackburn: 173 games, 142 goals
Newcastle: 40 games, 28 goals
Honours: 1995 (Blackburn): Premiership champions; 1997 (Newcastle): Premiership runners-up

ENGLAND RECORD

34 appearances, 16 goals

TRANSFER FEES

Southampton to Blackburn £3.3m

Blackburn to Newcastle £15m

INDIVIDUAL HONOURS

1994: Footballer of the Year

1995: PFA Player of the Year

Gerd Müller, Mario Kempes, Paolo Rossi, Diego Maradona, Jürgen Klinsmann, Romário. Over the past quarter of a century these men have gone down in football lore as the strikers who delivered the World Cup for their country. Who will add their name to the legend in France one year from now?

Two of the leading candidates meet in Paris tonight: Ronaldo, of Brazil, widely accepted as the game's best striker, and England's Alan Shearer, arguably his leading rival.

While neither player is likely to follow Maradona in 1986 and virtually win the World Cup on their own both will be key figures if Brazil or England are to triumph. More than ever goalscorers are a pre-requisite of success at the top level.

"You need that cutting edge to win the World Cup in the modern game," Glenn Hoddle said as England prepared in Versailles yesterday. "Any team can build a side with good organisation and technique but it is not enough."

France's performances in the *Tournoi de France* prove this. Technically adept and well-structured, they have a clutch of outstanding players but no goalscorer. In attack they are choosing from Nicolas Ouedéec, Christophe Dugarry, Patrice Loko and Florian Maurice, strikers who have 10 goals in 54 matches between them. Alan Shearer alone has surpassed that in his last 11 internationals.

Ronaldo, meanwhile, is coming back to his best after being distracted by contract and transfer negotiations. His goal in Sunday night's spectacular in Lyon was quite brilliant, as was

his pass in a claustrophobic penalty area to set up Romário's equaliser.

Frantz Leboeuf, who has watched both Shearer and Ronaldo from the French bench in this tournament, said: "They are both outstanding players in different ways. Shearer is more intelligent, he is always in the right place. Ronaldo has more power, pace and skill."

The pair met this year at the World Player of the Year Awards in Lisbon (Ronaldo was first, Shearer third). "We chatted through his interpreter for a couple of hours," Shearer said. "He was very level-headed, very down to earth. He is so young and he has already played for possibly the biggest club in the world.

"He is very strong, very pacy. He has a good first touch and he can go past three or four players from the half-way line and put it in the net. Romário is more deceptive; he has a few flicks and the arrogance of a great player. He has been around and is very street-wise."

Shearer would not compare himself with the Brazilian as he is "not happy talking about myself", but Hoddle was only too glad to praise his striker. "He has got everything, even the right temperament," the England coach said. "Until he does it at the highest level [a World Cup] you have to reserve judgement, but he is up there with the best.

"Both he and Ronaldo are very single-minded. They just want to put the ball in the net. If you look through the history of football the great strikers like Müller and Lineker had that. They can score all types of goals, with the head, left foot, right foot, close in, from outside the box. And [they are] still young enough to improve."

Hoddle appeared to overlook Ronaldo and Shearer's ability to provide goals as well but he has a lot on his mind. Italy were torn apart in Lyon and Hoddle said: "It is interesting for me as a coach to see if we can defend properly against the best offensive side in the world."

Not that England, their confidence high, will be over-defensive. They recognise that to have any chance of winning they will have to attack as they are unlikely to keep Brazil out. "Brazil have an Achilles' heel," Hoddle said. "They have a reluctance to defend."

Ankle problems kept Shearer and David Seaman out of training yesterday but both are expected to play.

The only selection doubt is who replaces the suspended David Beckham: Rob Lee, who is still suffering from a toe injury, David Batty, whose tackling could be a liability and who has a groin strain, or the promising but inexperienced Paul Scholes.

After Sunday's effort Brazil will see who is fully fit, but given the little-known Denílson's brilliance they will be strong whoever plays. Mauro Silva is suspended.

"If we had lost the first two matches the world champions would have been the last team you wanted to play," Hoddle said, "but we are now wondering if we can match them. The belief is growing, we have respect. I sometimes think people give Brazil too much respect, as if they are from another planet."

For 30 minutes on Sunday night out of this world was the only description of their football. With England on cloud nine someone has to come down to earth tonight.

The beautiful team, page 26



RONALDO LUIZ NAZARIO DE LIMA

Height: 1.83m. Weight: 77kg. Age: 20
BRAZIL RECORD
17 appearances, 10 goals
CLUB RECORD
Santos: 127 games, 120 goals
Sao Paulo: 54 games, 36 goals
Cruzeiro: 60 games, 58 goals
PSV Eindhoven: 56 games, 55 goals
Barcelona: 38 games, 33 goals
Honours: 1995 (PSV): Dutch championship runner-up; 1996 (PSV): Dutch Cup winners; 1997 (Barcelona): European Cup-Winners' Cup winners

BRAZIL RECORD

17 appearances, 10 goals

CLUB RECORD

Santos: 127 games, 120 goals

Sao Paulo: 54 games, 36 goals

Cruzeiro: 60 games, 58 goals

PSV Eindhoven: 56 games, 55 goals

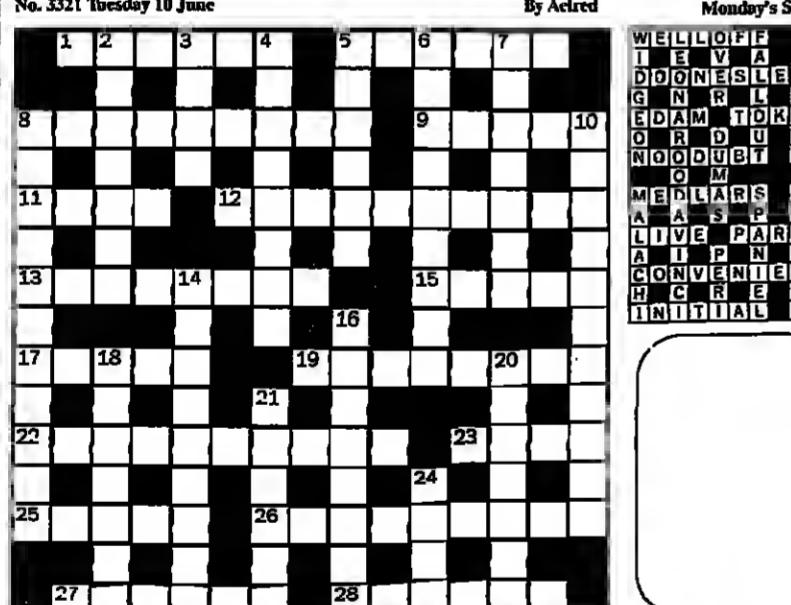
Barcelona: 38 games, 33 goals

Honours: 1995 (PSV): Dutch championship runner-up; 1996 (PSV): Dutch Cup winners; 1997 (Barcelona): European Cup-Winners' Cup winners

1997: FIFA World Player of the Year

THE INDEPENDENT CROSSWORD

No. 3321 Tuesday 10 June By Adrew Monday's Solution



Monday's Solution

ACROSS

- 1 Background information search is incomplete (6)
- 2 It's not sound to be so high-pitched (10)
- 3 Pass changes please (6)
- 4 Dickensian meeting which has a sting in the tail (9)
- 5 Satisfied about right one's worth (5)
- 6 The place for this is in the neck (4)
- 7 Whistled a lot in one's imaginings (4,6)
- 8 Meat selection suggested by winter economics? (4,4)
- 9 Woman rendering British race meeting powerless (5)
- 10 Possibly save energy in some overheads? (5)
- 11 About to decamp with connections (8)
- 12 Leading sailor performing madrigal's not good (7)
- 13 Farewell White Horse? (4)
- 14 Toss around eating cheese but not port to maintain this? (8)
- 15 French pupil with name down for team (6)
- 16 I'd a ramble, exercising choice (9)
- 17 Thus to analyse phrase's not hard (5)
- 18 Find a less troublesome species of insect (9)
- 19 Son in wedding achieves harmony (6)
- 20 Lacquer put over the French hair (6)
- 21 Leading sailor performing madrigal's not good (7)
- 22 French pupil with name down for team (6)
- 23 Central heating which is filled with cold water (4)
- 24 Action damaged European plant (7)
- 25 Thus to analyse phrase's not hard (5)
- 26 Find a less troublesome species of insect (9)
- 27 Son in wedding achieves harmony (6)
- 28 Lacquer put over the French hair (6)
- 29 French pupil with name down for team (6)
- 30 I'd a ramble, exercising choice (9)
- 31 Applied spur to animal to do better (7)
- 32 Cause of inflation if you have a flat in tandem? (7,4)
- 33 Try strikers out? Not in these sporting events (11)
- 34 They've clicked with Spanish dancer? (9)
- 35 Original cleaner retains one's trust (8)
- 36 Check's run near old soldier (7)
- 37 Lacquer put over the French hair (6)
- 38 Find a less troublesome species of insect (9)
- 39 Son in wedding achieves harmony (6)
- 40 Action damaged European plant (7)
- 41 To remove stiffness is a convenience to nurse (6)
- 42 Old regal type from Football Association (4)

DOWN

1 French pupil with name down for team (6)

2 I'd a ramble, exercising choice (9)

3 Applied spur to animal to do better (7)

4 Cause of inflation if you have a flat in tandem? (7,4)

5 Try strikers out? Not in these sporting events (11)

6 They've clicked with Spanish dancer? (9)

7 Original cleaner retains one's trust (8)

8 Check's run near old soldier (7)

9 Action damaged European plant (7)

10 To remove stiffness is a convenience to nurse (6)

11 Old regal type from Football Association (4)

Rugby Union

CHRIS HEWITT

reports from Pretoria

The Lions have not exactly turned pear-shaped - not yet, at any rate - but a debilitating run of controversy, injury and defeat has given the tour a distinctly warped demeanour. Scott Gibbs' suspension and the premature departures of Doddie Weir and Paul Grayson had already knocked Fran Cotton and his management team back on their heels and yesterday, they took a blow in the solar plexus when Scott Quinnell pulled out of the Test series with groin trouble.

Quinnell aggravated a long-standing muscle condition during the defeat by Northern Transvaal in Pretoria on Saturday and although he completed the game, he was quickly ruled out of further participation by James Robson, the tour doctor, after an emergency consultation on Sunday. "I'm devastated," he said yesterday. "I've worked so hard for this. Now all I can do is go home and watch the series on television."

Although Cotton diplomatically avoided saying as much, Quinnell was a rating certainty for the No 8 berth in the opening Test against the Springboks on Saturday week and his absence deprives the Lions of their most effective ball-carrying forward. The Welshman had also looked sharper and more committed than usual in defence - indeed, he was the Lions' busiest and most accomplished performer against Eastern Province in Port Elizabeth just over a fortnight ago - and the tourists

know they have lost one of their most influential figures.

Cotton and his colleagues were not deciding on a replacement until late last night, presumably delaying their deliberations until the side touched down at Heathrow following their squared Test series in Argentina. Two obvious contenders. Ben Clarke - a Lion in more than one sense of the word in New Zealand four years ago - and Tony Diprose both played against the Pumas last weekend and are considered to be in very sharp form indeed.

However, Quinnell's misfor-

meday has not been the only blow. Rodber, meanwhile, captain of the side against Gauteng, formerly known as Transvaal, in Johannesburg tomorrow night.

Ian McGeechan, the coach, agreed yesterday that some players might play in both of his week's matches against powerful Super 12 provinces. That should encourage Tom Smith and Paul Wallace, the two ball-handling Celtic props, who came to South Africa as rank outsiders for the Tests but, thanks to their exceptional mobility, are making rather more of an impact than some of their strong-arm colleagues.

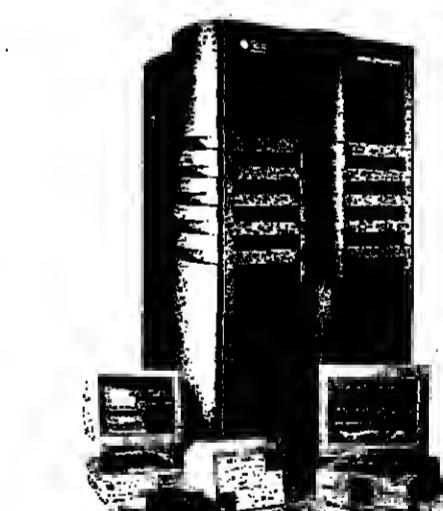
Tony Underwood plays his third successive game on the left wing. Mike Catt gets his first start at outside-half and Nigel Redman, the 32-year-old Bath lock who, rumour has it, once played alongside William Webb Ellis, makes perhaps the most popular Lions debut of them all. "I never thought it would happen to me," said Redman, who was called in from Buenos Aires when Weir picked up his serious knee injury in Witbank six days ago. "My wife burst into tears when I told her I'd been summoned. They were definitely tears of joy; after all, she won't be seeing me for another month now." A welcome shaft of humour on a dark day.

LIONS v GAUTENG, Johannesburg, tomorrow at 7pm (Wembley and England); J Bunting (Newcastle and England), A Beltram (Richmond and Wales), T Borthwick (London Irish and Scotland), T Brough (Leeds and England), A Catt (Bath and Scotland), A Ellis (Leeds and England), N Jenkins (Pontypool and Wales), M Davies (Worcester and England), R Walker (Warrington and Scotland), T Rowlands (Cardiff and England), A Scott (Bath and England), M Jennings (Pontypool and Wales), R Williams (Worcester and England), G Young (Cardiff and Scotland), E Miller (Leicester and Scotland).

Quinnell: Groin injury

tune carries even more relevance for Eric Miller and Tim Rodber, the respective No 8s of Ireland and England and now direct rivals for a treasured Test cap in Cape Town on 21 June. Miller was seriously downcast after the defeat at Loftus Versfeld - a game in which he was played out of position on the open-side flank - but he will now have an opportunity, probably against Natal on Saturday, to bring his undoubted dynamism to bear in

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